Brown, Brian (TM)

From: TMFeedback
Sent: Wednesday, January 19, 2011 5:41 PM
To: Brown, Brian (TM); Hickey, Toni
Subject: FW: Small Business Study
Attachments: Response to USPTO Request For Comments.pdf; Exhibit A to Response to USPTO.pdf; Exhibit B to Response to USPTO.pdf

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From: Dan Castro [(b)(6)]
Sent: Wednesday, January 19, 2011 4:56 PM
To: TMFeedback
Subject: Small Business Study

Dear Under Secretary Kappos:
Please find attached my response to the USPTO's request for comments regarding how large companies are abusing trademark law.

You should have three attachments:
1. Response to Your Request.
2. Exhibit A
3. Exhibit B

Thank you for the opportunity to respond.

Dan Castro

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January 18, 2011

The Honorable David Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office (USPTO)
Mail Stop Comments
P.O. Box 1450
Alexandria, VA 22313-1450

Re: USPTO SMALL BUSINESS STUDY

Dear Under Secretary Kappos:

The undersigned attorney and trademark owner is grateful for the opportunity to submit comments in response to the United States Patent and Trademark Office's (USPTO) request for comments regarding the study on trademark litigation tactics. Accordingly, attorney Daniel R. Castro (and owner of several trademarks) hereby submits the following comments.

The most compelling explanation of how trademark bullies have used invalid or weak trademarks to "bully" small business owners is set forth in a brief filed in Federal District Court in Austin, Texas on December 15, 2010. That brief is attached hereto as Exhibit B. The style of that case is: *Castro v. Entrepreneur Media, Inc*, Docket No. 10-CA-695. This brand new declaratory judgment action was filed in September 2010. The Court has not yet made any dispositive rulings on the merits.

1. **Please identify whether you are a trademark owner or practitioner, and the general size and nature of your business or trademark practice, including the number of trademark applications and registrations your business has, or your practice handles.**

RESPONSE:

Daniel R. Castro is both a trademark law practitioner and the owner of several trademarks. As a practitioner, Castro files 4-5 trademark applications per year and handles 1-2 trademark litigation cases per year.

2. **In approximately the last 5 years, please describe any instances of which you have first-hand knowledge where a small business may have been the target of litigation tactics attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner.**

RESPONSE:

In 2010, I personally submitted an application for the mark "Entrepreneur.Ology." I am the owner of four separate companies. I am the award-winning author of a book called CRITICAL CHOICES THAT CHANGE LIVES, which won a few awards and is now selling all over the world. I also give keynote presentations to Fortune 500 companies on the topic of innovation and entrepreneurship all over the United States. I am planning on conducting a series of boot camps for entrepreneurs under the name Entrepreneur.Ology.

To my great surprise, I received a cease and desist letter from Latham & Watkins, LLP, claiming that the word "entrepreneur" was owned by a company I had never heard of before called Entrepreneur Media, Inc (EMI). EMI ordered me to stop using the mark "Entrepreneur.Ology" and to turn over my right, title and interest in the domain name www.EntrepreneurOlogy.com to EMI. EMI gave me a deadline to do those things and threatened litigation if I did not.

As an attorney and the owner of several trademarks, I was shocked that anyone could claim ownership of a common noun that has been in the public domain for approximately 300 years.

Instead of waiting for EMI's arbitrary deadline, I filed a declaratory judgment action against EMI in Federal District Court in Austin, Texas. A copy of the First Amended Complaint is attached for your convenience as Exhibit A.

Shortly thereafter, EMI filed a Rule 12(b)(6) motion to dismiss. Attached is my response to the motion to dismiss. See Exhibit B. The response explains chronologically how it is that EMI was able to obtain a trademark on a common noun invented by the French approximately 300 years ago, and how EMI has gone about suppressing free speech, using that trademark as a club against small business owners for the past 20 years.

Below is an excerpt of the brief I filed in Federal District Court in Austin, Texas on December 15, 2010:

HOW DID EMI OBTAIN A TRADEMARK ON A COMMON NOUN THAT HAD BEEN IN THE PUBLIC DOMAIN FOR APPROXIMATELY 300 YEARS?

EMI failed to inform the court that it has never been required to prove to the U.S. Patent & Trademark Office or any federal court that the consuming public automatically associates the word "entrepreneur" with the publisher of a particular magazine or website. EMI does not claim that this common noun is "inherently distinct" (like Exxon, Nike or Kodak).[1] EMI also does not claim that the word is a "made-up" word that it coined. How then did EMI obtain a registered trademark on this word?

EMI took advantage of a loophole in the Lanham Act. The original Examining Attorney rejected EMI's application because it was a common noun and was "merely descriptive" of EMI's products and services in violation of 15 U.S.C. 1052 (e). See Exhibit 3 (Notifying EMI that, "Registration is refused on the Principal Register because the mark, when applied to the goods, is considered to be merely descriptive thereof"). The Examining Attorney suggested that EMI attempt to prove that the mark had obtained "secondary meaning" under Section 2 (f). *Id.* As an alternative, the Examining Attorney mentioned that EMI could take advantage of Trademark Rule 2.41(b), which allows the owner of a previously registered "same mark" to piggy back on that previous mark. 37 CFR 2.41(b). *Id.* This is the loophole that EMI took advantage of. As a result, EMI has never been required to submit any evidence (to any federal agency or judicial body) that

[1] An application under Section 2(f) is an admission that the mark is not "inherently distinct." *See In re Reed Elsevier Properties, Inc.*, 77 U.S.P.Q.2D 1649, 1651 (TTAB 2005); *Yamaha International Corp. v. Hoshino Gakki Co.*, 840 F.2d 1571 (Fed. Cir. 1988). The attached Registration No. 1,453,968 shows very clearly that EMI's mark was granted under Section 2(f). See Exhibit 4.

the consuming public had come to associate the word "entrepreneur" with the publisher of a magazine.

As it turns out, the former owner of the mark "entrepreneur" was a company called Chase Revel, Inc. (founded by a gentleman named Chase Revel). With no rhyme or reason or explanation, Chase Revel had obtained a trademark registration for the mark "entrepreneur" back on January 19, 1982 (Registration No. 1,187,239). According to the PTO website archives, the entire history of how Mr. Revel obtained this mark *has been destroyed* and is no longer available for review or analysis. See Exhibit 5. Thus, it is unclear whether the Examining Attorney who handled that file was asleep at the wheel or whether Mr. Revel ever submitted any proof of "acquired distinction" or "secondary meaning" or whether that proof (if any) was even persuasive.

Nevertheless, because EMI had acquired the rights to that first trademark (Registration No. 1,187,239), Rule 2.41(b) allowed it to submit nothing more than an affidavit claiming ownership of that previous mark and a statement of continued and exclusive use for five years. EMI submitted that affidavit on January 13, 1986. See Exhibit 6. Presto, the Examining Attorney approved the publication of the mark and allowed the official registration of the mark, giving it the Registration No. 1,453,968, without any actual evidence of "secondary meaning" or "acquired distinctiveness." See Exhibit 4. It is elementary that in a Rule 12(b)(6) motion, the court is entitled to take judicial notice of documents in the public record. *See Johnson v. City of Houston*, 2010 U.S. DIST. LEXIS

103626 (S.D. Tex. 2010)(citing *R2 Invs., LDC. v. Phillips*, 401 F.3d 638, 640, n.2 (5th Cir. 2005)).

Years later, EMI took advantage of two other sections of the Lanham Act that also do not require any proof that the mark has obtained "acquired distinction" or "secondary meaning." Those sections are 15 USC 1065; and 1115(b). Under those provisions, the owner of a mark can obtain so-called "incontestable" status by merely submitting an affidavit claiming continued, exclusive use of the mark in commerce for five years from the date of registration. Id. EMI submitted that affidavit on September 17, 1992. See Exhibit 7. This Section of the Lanham Act has been severely criticized because of the very fact that it does not require proof that the public associates that mark with a specific, exclusive provider of a particular good or service, and to avoid confusion. *See Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 210, 213, 214 (1985)(J. Stevens, dissenting). That problem has never been more demonstrated than by the facts of the case before this court.

In the congressional hearings over the concern about granting monopoly privileges in "merely descriptive" words, Dr. Karl Pohl testified that "incontestability" could be harmonized with Antitrust Law because no mark could become "incontestable" unless its owner had already submitted sufficient evidence of "secondary meaning" to get past the Examining Attorney "gatekeeper" in the first place. *See Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 210, 211 (1985). Justice Stevens disagreed vehemently, and identified the inefficiencies and problems that existed in the trademark office and the practice

manuals that explained exactly how easy it was to get past these gatekeepers. *Id.* at 213, 214.

In this case, there is error upon error because there is no evidence *anywhere* that EMI (or its predecessor) has ever proved that a common, 300-year-old noun invented by the French, and which is used in its common, ordinary sense hundreds of times a day in such print journals as Forbes, the Wall Street Journal and the New York Times, has ever obtained "acquired distinction" or "secondary meaning." The entire history from Registration No. 1,187,239 (the "prior mark") has been mysteriously destroyed. See Exhibit 5. The history *from the current* Registration No. 1,453,968 shows clearly that the mark was granted protection under Rule 2.41(b) solely because EMI was allowed to piggy-back on the prior registration without satisfying any of the requirements of proving "acquired distinction" or "secondary meaning." See Exhibits 3-5 (jointly).

EMI has been taking advantage of this arbitrary, illogical result ever since. In *EMI v. Smith*, the court held that, because the mark had attained "incontestable" status, the defendant Scott Smith could not submit any evidence that the noun "entrepreneur" lacked any distinction or secondary meaning. *See Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1142 (9th Cir. 2002). Thus, once again, EMI was able to escape the noose. The problem was - Smith's lawyers never challenged the constitutionality of the "incontestable" provisions of the Lanham Act on Free Speech grounds. Therefore, with no reason to NOT apply the law, the court blindly applied it and found in favor of EMI.

Smith also did not try to invalidate the trademark on the basis that the word "entrepreneur" was generic and not legally capable of designating a single, exclusive source of the goods or services at issue. No evidence or arguments were submitted to the court on the issue of "genericness" and neither the lower court nor the Ninth Circuit considered any. The only issue before the Ninth Circuit was whether the trial court had properly granted summary judgment in EMI's favor. It is established law that whether a mark is generic is a question of fact. *See Bath & Body Works, Inc. v. Luzier*, 76 F.3d 743, 748 (6th Cir. 1996).

If either of the two parties had presented the court with evidence on this issue, the court would certainly have discussed it. But there were no facts in evidence (in favor of either party) at the trial court level, on the issue of "genericness." Therefore, the trial court, in granting summary judgment did not make a specific ruling on the issue of genericness. See Order granting Summary Judgment in favor of EMI, attached as Exhibit 8. On appeal from the order granting summary judgment, the Ninth Circuit had no evidence or facts in the record on the issue of "genericness" to rely on. Nor did the Court analyze the fact that the word was a 300-year-old French noun that has been around long before EMI or Chase Revel ever existed. However, for some bizarre reason, in a footnote which is dicta by definition, the Ninth Circuit did mention that it thought the word was not generic. *Id.* at 1141, n.2.

In *Smith*, the Court did not conduct any legal analysis or attempt to apply the well-established test for determining "genericness" in support of this comment. The Court

also did not analyze whether the noun was legally capable of serving to identify any single, exclusive source of goods or services - as required by law. *Two Pesos*, at 2757. In that same footnote, the Ninth Circuit actually cited a Second Circuit ruling that was in conflict with the Ninth's Circuit's footnote on the issue of - when is the title of a magazine generic? *See CES Publishing Corp. v. St. Regis Publishing Inc.*, 531 F.2d 11, 13 (2nd Cir. 1975)(holding that "Consumer Electronics" as the name of a magazine about "consumer electronics" for *consumers of electronics* is generic). The difference is that the Second Circuit's ruling on "genericness" was an actual "holding" on a valid issue that was actually before the court. It is elementary that the Ninth Circuit's footnote does not constitute a ruling or a holding by the court. In the main body of its opinion, the Ninth Circuit *did hold*, however, that "EMI cannot have the exclusive right to use the word 'entrepreneur' in any mark identifying a printed publication addressing subjects related to entrepreneurship." *Smith*, 279 F.3d at 1143. Thus, the footnote, which is dicta, is in conflict with the actual holding of the court.

Nevertheless, EMI has attempted to pull the wool over this court's eyes by representing it as the holding of the court. The average consumer does not know the difference between "dicta" and an actual holding of the court. EMI has also used this ill-founded footnote repeatedly by citing it in hundreds of threatening letters sent to persons who are innocently using the word "entrepreneur" (or some derivation thereof) to market their goods and services. The average consumer does not know what constitutes a valid trademark, much less whether one is truly "incontestable." Therefore, most of these innocent victims simply roll over and gave EMI what it wants – no competition.

* * * * * * * * * * *

The most compelling cause of action set forth in the Amended Complaint is the claim requesting that the court declare the "Incontestable" provisions of the Lanham Act unconstitutional "as applied" to the facts. It is the first time anyone has sought to invalidate the "Incontestable" provisions of the Lanham Act. However, Justice Stevens in his dissenting opinion in *Park 'N Fly v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 210-214 (1985), laid the ground work for a strict scrutiny analysis of these provisions back in 1985.

Below is an excerpt of the brief I filed in response to EMI's motion to dismiss the constitutional claims:

WHY ARE THE "INCONTESTABLE" PROVISIONS OF THE LANHAM ACT UNCONSTITUTIONAL?

It is unclear whether EMI made a mistake or whether it intentionally attempted to deceive the Court, but in its Motion to Dismiss, EMI actually states that Castro wants a declaration that the *entire* Lanham Act is unconstitutional. See heading of Section B, at page 2 of EMI's Motion. Castro made it very clear in his complaint that there are *only two small provisions* of the Lanham Act that are unconstitutional "as applied" to the facts of this case.[2] See para. 7.1 – 7.9 of First Amended Complaint.

Section 1065 is the statute that allows a trademark to become "incontestable" without a showing that the mark ever had or continues to have "secondary meaning," or that it continues to serve the public good by designating a single, exclusive source of the goods or services at issue. Section 1115(b) is the section that prohibits the defendant in an infringement action from submitting evidence that the mark lacks "secondary meaning" or that consumers simply do not associate that mark with a single, exclusive provider of the goods or services at issue.

[2] In order to narrow the issues, on this same date, Castro has filed a Notice of Dismissal voluntarily dismissing his "facial" constitutional challenge of these two sections and will proceed only with his "as applied" challenge.

EMI's motion to dismiss this claim cannot be taken seriously because it was based on its belief that Castro was seeking to invalidate the entire Lanham Act. Castro agrees that the First Amendment does not protect all speech (i.e. fraudulent speech, or speech that is intended to deceive or confuse). However, if the facts are to be taken as true, as they must, none of that kind of prohibited speech is at issue here. At present, the undisputed facts show that Castro has never attempted to use the mark Entrepreneur.Ology or EntrepreneurOlogy to deceive or confuse the public, or to imply that they had the sponsorship of or affiliation with Entrepreneur magazine. See para. 5.19; and 7.40 of First Amended Complaint. Castro has simply used them to designate himself as the single, exclusive provider of his own unique *literary* goods and *literary* services (which do not include a magazine or an interactive website).

The undisputed facts also show that Castro's two marks are "inherently distinct" words coined by Castro himself, which are very different from EMI's common, everyday, "generic" noun. As such, they are not legally capable of causing confusion. *See Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 139-40 (1905)(holding that the defendant's name and trademark "were not intended or likely to deceive" because the defendant used the hyphenated name "Remington-Sholes Company" in a way "that "clearly differentiated" its products from the plaintiff's brand 'Remington Standard Typewriter Company"); *Brown Chemical Co. v. Meyer*, 139 U.S. 540, 544-45 ("Not only do defendants' bottles differ in size and shape from those of the plaintiff, but their labels and cartons are so dissimilar in color, design and detail that no intelligent person would be likely to purchase either under the impression that he was purchasing the other").

What confuses the consuming public is when they receive a letter from Latham & Watkins threatening a lawsuit for using the word "entrepreneur" in the operation of their business. See Exhibit 1. The average citizen would not understand that they are free to use the word in some ways, but not in others. This has a definite "chilling effect" on free speech. Indeed most, if not all, of the innocent victims that have received EMI's "cease and desist" letters have simply caved in for inability to fight the very expensive legal battle with a corporate giant.

On page 3 of its Motion, EMI says "Castro is free to make fair use of the word ....." in a few select contexts.[3] This demonstrates that EMI has made itself the self-appointed gatekeeper of who can and can't use the word "entrepreneur" and how and in what context. The Fifth Circuit has expressed great concern about allowing a trademark owner to appoint itself the "gatekeeper" of a common noun, and dictate who can and can't use that common noun that the gatekeeper did not create, and when, how and in what context. *See Westchester Media Company v. PRL USA Holdings*, 214 F.3d 658, 673 (5th Cir. 2000)("Second, and also unique to this case, is PRL's claim to police use of the 'Polo' mark by the publisher of USPA's official magazine"). Similarly, the Fourth Circuit has stated, "It is important that trademarks not be 'transformed from rights against unfair competition to rights to control language.'" *CPC International v. Skippy Incorporated*, 214 F.3d 456, 462 (4th Cir. 2000)(quoting Stanford Law Professor, Mark A. Lemley, *The Modern Lanham Act and the Death of*

[3] This statement is a judicial admission that Castro is at least entitled to a judicial declaration by this court that he can use the word "entrepreneur" in a literary context. This brings some "relief from uncertainty" but not enough. It is a shame that EMI forced an average consumer to file this action and take up the court's time simply to obtain a judicial declaration of that very basic right. EMI's motion has proved the opposite of what it set out to prove. EMI has conceded that Castro is entitled to the relief he seeks regarding the literary use of the word "entrepreneur." See para. 7.29 of the First Amended Complaint. Castro is, therefore, entitled to a judicial declaration in his favor on that particular cause of action. See para. 7.29 of First Amended Complaint.

Common Sense, 108 Yale L.J. 1687, 1710-11 (1999). "The Constitution will not tolerate such a wholesale suppression of free speech." *Id.* The public should not be required to get EMI's approval every time it wishes to utter the word "entrepreneur." *Id.*

Castro was forced to file this declaratory judgment action because he is currently writing a book called ANATOMY OF THE ENTREPRENEUR'S BRAIN, and because he gives many keynote presentations on the topic of entrepreneurship, and writes many articles on entrepreneurship. Castro markets those *literary* goods and *literary* services under the names "Entrepreneur.Ology" and "EntrepreneurOlogy." Upon reading EMI's threatening letter claiming to have exclusive rights to use the noun "entrepreneur," any reasonable citizen would have valid concerns about when, where and how it can use that word. **EMI is using its trademark far beyond any purpose ever created by Congress. EMI has become the *illegal* gatekeeper for the use of that noun.** There is nothing in the attached Latham & Watkins threatening letter that says, "By the way, it's ok to keep using the word 'entrepreneur' in your speeches, articles, books and workshops, and it's ok to use that word to describe your goods and services." See Exhibit 1.

The average consumer cannot afford to hire a lawyer who specializes in trademark law to file a full blown lawsuit simply to get EMI to say when, where and how they can use that noun. EMI certainly knows this. The as-of-yet undisputed facts, which must be taken as true, show that it has engaged in a deliberate pattern and practice of sending these threatening letters to many innocent victims over the years. What average citizen is capable of standing up to a corporate giant represented by Latham & Watkins, especially when the letter says the mark is

"incontestable" and that the Ninth Circuit upheld it. What non-lawyer can argue with that? Even most non-trademark lawyers would have no reason to suspect that Latham & Watkins had overstated the facts and the law, and would certainly not think to challenge the unconstitutional provisions of the Lanham Act on Free Speech grounds.

ELEMENTARY FREE SPEECH ANALYSIS

The first thing the court should keep in mind is that if it finds that the word is "generic," it can avoid the entire First Amendment analysis because EMI's trademark will be cancelled, and Castro's right to Free Speech will no longer be at risk of suppression by EMI. 15 U.S.C. 1064(c), and 1119(authorizing the court to cancel a trademark that is generic).

The second thing the court should keep in mind is that the burden is on the party trying to uphold the constitutionality of the statute at issue, not on the party challenging it. *See Bolger v. Youngs Drug Products Corp.*, 463 U.S. 60, 70 (1983)("The party seeking to uphold a restriction on commercial speech carries the burden of justifying it."); and *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 480 (1989).

EMI is using the "incontestable" provisions of the Lanham Act to regulate the use of a very specific word. Under the "strict scrutiny" test, EMI must show that the restriction at issue is: (1) designed to further a "compelling" governmental interest; (2) that it is "narrowly tailored" to achieve that compelling interest; and (3) that it uses the "least restrictive" means to further that interest.[4] *United States v. Playboy Entertainment Group*, 529 U.S. 803 (2000). The

[4] "Intermediate scrutiny" analysis only adds one additional test, which is, "Is the speech at issue protected by the First Amendment in the first place?" *See Central Hudson*, 447 U.S. at 566. This test is designed to weed out commercial speech that is inherently obscene or inherently deceptive. Here, the speech at issue, even if

First Amendment protects not only the speaker, but also the right of the listener to hear and read the words. *See Virginia St. Board of Pharmacy v. Virginia Citizens Consumer Council*, 425 U.S. 748, 757 (1975).

EMI argues that the speech at issue here is not Castro's right to call himself an entrepreneur, or to write articles and books about entrepreneurship, and give speeches and hold workshops about entrepreneurship, but rather his right to brand himself, his book, articles, keynote speeches and workshops under the marks "EntrepreneurOlogy" or "Entrepreneur.Ology."

This is an improper argument on the merits because it raises a very complex issue of whether the speech being restricted is "commercial" or "non-commercial" in nature. Regulations restricting non-commercial speech receive "strict scrutiny" analysis. *See Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 475-485 (1989). Regulations that restrict purely commercial speech receive "intermediate scrutiny" analysis. *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447, U.S. 557 (1980). The Supreme Court itself acknowledges that the line between "commercial" and "non-commercial" speech is often blurry. Id. at 581, n. 4. Even the Supreme Court justices themselves cannot agree on what is and what is not "commercial speech." Id (three judges concurring and one dissenting).

Despite the fogginess over the conceptual differences, the U.S. Supreme Court agrees that speech by professional speakers, authors and journalists is *non-commercial* speech, and is,

deemed to be purely commercial, is not "inherently deceptive" and, therefore, has the *full protection* of the First Amendment.

therefore, entitled to the full protection of the First Amendment. *See Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557, 580, n. 2 ("Little purpose would be served by a first amendment which failed to protect newspapers, paid public speakers, political candidates with partially-economic motives and professional authors.'"). With this statement, the Supreme Court confirmed that "partially-economic motives" do not transform non-commercial speech into purely free speech. It would be illogical to conclude that branding those artistic and literary endeavors under a trademark suddenly transforms Castro's trademarks into purely "commercial speech."

To make things easier on the lower courts, the Supreme Court has decided that when the literary, artistic, and commercial aspects of the speech at issue appear to be "inextricably intertwined," the regulation at issue is still to receive "strict scrutiny" analysis. *See Riley v. National Federation of Blind, Inc.*, 487 U.S. 781, 796, (1988)("Thus where, as here, the component parts of a single speech are 'inextricably intertwined,' we cannot parcel out the speech, applying one test to one phrase and another test to another phrase. Such an endeavor would be both artificial and impractical").

Castro submits that, in accordance with *Central Hudson Gas & Electric*, his trademarks at issue here are purely literary and artistic because they are being used to brand purely "literary" and "artistic" speech. Economic motive is not the determining factor. The Supreme Court has ruled that, "The mere fact that these pamphlets are conceded to be advertisements clearly does not compel the conclusion that they are commercial speech. Similarly, the reference to a specific product does not by itself render the pamphlets

commercial speech." *Bolger v. Youngs Drug Products*, 463 U.S. 60, 66 (1983). The Court also made it clear that having an economic motive alone, "would clearly be insufficient by itself to turn the materials into commercial speech." *Id.* at 67. However, even if this court finds that the two aspects of the speech appear to be inextricably intertwined, this court is required to apply strict scrutiny analysis. *Riley*, 487 U.S. at 796.

Moreover, EMI forgets that even purely "commercial speech" is entitled to First Amendment protection. *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council*, 425 U.S. 748, 759 ("speech does not lose its First Amendment protection because money is spent to project it .... speech likewise is protected even though it is carried in a form that is sold for profit."). It is true that the First Amendment does not protect commercial speech that is deliberately deceptive, false or misleading. *Id.* at 771. But the undisputed facts, which must be taken as true, show that this type of speech is not at issue here. Even if the speech at issue here were purely commercial, regulations that have the effect of suppressing honest, truthful, non-deceptive, non-coercive speech are still subject to "strict scrutiny" analysis. *See Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557, 578 ("We have not suggested that the 'commonsense differences' between commercial speech and other speech justify relaxed scrutiny of restraints that suppress truthful, non-deceptive, non-coercive, commercial speech."). In other words, regulations that suppress honest, truthful speech (even if it is commercial speech) have always, and still do, receive "strict scrutiny" analysis. Id.

The Fifth Circuit has already ruled that any law, even in a purely commercial speech case, that has the effect of limiting the use of a common noun that is *not inherently deceptive* is an unconstitutional violation of the First Amendment. *See Pizza's Seafood World, v. Odom*, 448 F.3d 744, 753 (5th Cir. 2006)(finding that the state's interest in preventing deception in commercial speech was not furthered by a regulation that limited the commercial use of common nouns ["Cajun Boy" and "Cajun Delight"] that were not inherently deceptive.)

Section 1065 and 1115(b) fail "strict scrutiny" analysis for the following reasons.[3] The regulations: (1) are NOT designed to further a "compelling" governmental interest because they protect a common noun that has never been shown to designate the single, exclusive provider of a magazine; This is antithetical to the very purpose of the Lanham Act, not in furtherance of it; (2) are NOT "narrowly tailored" to achieve that compelling interest because it has the effect of suppressing the honest, non-deceptive use of a common noun; and (3) do NOT use the "least restrictive" means to further that interest because Congress could easily have required that the owner of the mark show tangible proof that it had attained "secondary meaning" as a condition of obtaining "incontestable" status. *See Park 'N Fly*, 469 U.S. at 219 (J. Stevens dissenting)(Congress could "simply require the owner of a merely descriptive mark to prove secondary meaning before obtaining any benefit from incontestability").

(1) NOT DESIGNED TO FURTHER A COMPELLING GOVERNMENTAL INTEREST.

Sections 1065 and 1115(b) are not designed to further a legitimate governmental interest for the following reasons. First, the net result of giving the mark "entrepreneur" incontestable status is that it suppresses the right of the average citizen to use that word to identify their

[3] They also fail "intermediate scrutiny" for the same reasons.

goods and services in an honest, non-deceptive manner. *See Central Hudson*, 447 U.S. at 578; *In re MJ*, 4445 U.S. at 199. Second, it illegally makes EMI the gatekeeper and allows it to dictate who can and can't use that word and in what context. No legitimate government interest can be furthered by allowing a rogue dictator to dictate the use of a common noun. Third, EMI obtained a registered trademark on a common noun without ever having to prove the public automatically associates it with the publisher of a particular magazine. Fourth, EMI obtained "incontestable" status for its trademark without ever having to prove the public automatically associates it with the publisher of a particular magazine. Fifth, if both of those sections are applied here, it will prohibit Castro from submitting evidence that the noun does not have "secondary meaning" and is not entitled to protection.

The Lanham Act is very specific in prohibiting the registration of trademarks that are "merely descriptive" of the goods and services unless and until they have acquired "secondary meaning." See 15 U.S.C. 1052(e)(f). The purpose of the Lanham Act is not furthered at all by allowing a common noun to achieve "incontestable" status without a showing that the public automatically associates that noun with the publisher of a particular magazine. It is also antithetical to the purpose of the Lanham Act to prohibit the introduction of evidence at trial that that noun lacks "secondary meaning." To prohibit the introduction of evidence that the mark lacks "secondary meaning" is not only inconsistent with the purpose of the Lanham Act, but it also results in the restriction of speech Congress never intended to restrict (i.e. the public's honest, non-deceptive use of that same noun to identify goods and services). At least one Supreme Court Judge agrees, stating: "First to permit one person to appropriate exclusively a mark which is merely the ordinary language to describe the goods

or services involved would obviously be detrimental to others who deal in the same goods or services by *hindering their use of normal language* in association with their goods or services." *Park 'N Fly v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 215 (Justice Stevens, dissenting)(quoting from the Patent & Trademark Office's own handbook)(emphasis added).

The Supreme Court in *Park 'N Fly* dealt with whether the defendant in an infringement action could submit evidence and arguments that the words "Park 'N Fly" were "merely descriptive" of the services being offered, and therefore, not protected by the Lanham Act. The majority recognized the problems caused by the "incontestable" sections of the Lanham Act in question, but because no one had challenged their constitutionality on First Amendment grounds, the majority took the easy way out, stating, "Our responsibility, however, is not to evaluate the wisdom of the legislative determinations reflected in the statute, but instead to construe and apply the provisions that Congress enacted." *Id.* at 203. The Court interpreted Sections 1065 and 1115(b) literally and upheld the lower court's decision to prohibit the defendant from defending the infringement action on the grounds that the words were "merely descriptive" and had not achieved "secondary meaning."

The dissent, however, cleared a broad path for anyone who was willing to challenge those two sections on First Amendment grounds. First, Justice Stevens pointed out that the owner of that mark had never actually submitted any evidence to the Patent and Trademark Office that its mark had acquired "secondary meaning" or that it was anything more than a phrase that described the service in question (airport parking) *Id.* Justice Stevens could have easily been describing EMI's posture in this case. Second, Justice Stevens pointed out that it does

not further the interests of the Lanham Act to give "incontestable" status to a mark that should not have been granted a registered trademark in the first place, stating: "The problem in this case arises because of petitioner's attempt to enforce as 'incontestable' a mark that Congress has plainly stated is inherently unregistrable." *Park 'N Fly Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 206 (1985). Justice Stevens also stated, "*No legislative purpose* is served by granting anyone a monopoly in the use of such a mark" (emphasis added). *Id.* Justice Stevens clearly saw that the "incontestable" provisions of the Lanham Act could never survive a "strict scrutiny" analysis under the First Amendment because those two provisions were not designed to further a compelling governmental interest, and were not narrowly tailored to achieve that interest.[5]

Further showing that these two sections would fail "strict scrutiny" analysis, Justice Stevens pointed out that the term "incontestable" is not even defined in the Act, and that the Committee Reports on the bill creating these provisions did not even attempt to explain how it furthered the purpose of the Lanham Act. *Id*, at 668. Justice Stevens stated, "No one ever suggested that *any public purpose* would be served by granting incontestable status to a mark that should never have been accepted for registration in the first instance." *Id.* at 669 (emphasis added).

Justice Stevens also pointed out that the blind application of these two provisions to prohibit the introduction of evidence that the mark lacks "secondary meaning" was not rational: "But if no proof of secondary meaning is ever presented, either to the Patent and Trademark Office

[5] Judge Stevens did not specifically address the First Amendment because that issue was not before the court. But his recognition that the "incontestable" provisions could serve "no legitimate purpose" indicate he was using "strict scrutiny" analysis.

or to a court, *there is simply no rational basis* for leaping to the conclusion that the passage of time has transformed an inherently defective mark into an incontestable one" (emphasis added). Justice Stevens also pointed out: "Congress enacted the Lanham Act 'to secure trademark owners in the goodwill which they have built up.' But without a showing of secondary meaning, there is no basis upon which to conclude that petitioner has built up any goodwill that is secured by the mark." *Id.* at 599-600. Thus, the "incontestable" provisions of the Lanham Act fail the first test.

(2) NOT "NARROWLY TAILORED"

A prohibition that sweeps within its ambit both protected and unprotected speech can be held unconstitutional on that ground alone. *Ashcroft v. Free Speech Coalition*, 535 U.S. 234, 259 (2002)("The argument, in essence, is that protected speech may be banned as a means to ban unprotected speech. This analysis turns the First Amendment upside down. The Government may not suppress lawful speech as the means to suppress unlawful speech."); and *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 482-83 ("Where an overbreadth attack is successful, the state is obviously *invalid in all its applications*, since every person to whom it is applied can defend on the basis of the same overbreadth")(emphasis added).

The Supreme Court has held that, where commercial speech is concerned, "Truthful advertising related to lawful activities is entitled to the protections of the First Amendment." *In re R.M.J.* 455 U.S. 191, 199 (1982)(holding that truthful advertising that is not "inherently misleading" cannot be restricted). Thus, even if the court were to find that the speech at issue here is "purely commercial," the marks EntrepreneurOlogy and EntrepreneurOlogy are

not "inherently deceptive." As such, they are entitled to the full (not limited) protection of the First Amendment.

The "incontestable" provisions of the Lanham Act are clearly not "narrowly tailored" to achieve the government's compelling interest because it "does not provide adequate protection for truthful, non-misleading, non-coercive commercial speech." *Central Hudson* 477 U.S. at 573 (J. Stevens, dissenting). If the application of the statute is "overly broad," then by definition, it is not "narrowly tailored" to achieve the government's stated objective. Id. Thus, the "incontestable" provisions of the Lanham Act fail the second test.

(3) NOT THE "LEAST RESTRICTIVE" MEANS

Justice Stevens recommended that the law should be changed to "simply require the owner of a merely descriptive mark to prove secondary meaning before obtaining any benefit from incontestability." *Park 'N Fly*, 469 U.S. at 219. Thus, he sets forth a far "less restrictive" way to achieve the government's stated objective. The "incontestable" provisions of the Lanham Act fail the third test. Congress could use some guidance from this court on how to create a less restrictive regulation. Castro has clearly pled enough facts under Rule 12(b)(6) and Rule 8(a)(2) to put EMI on notice that he intends to show at trial that the "incontestable" provisions of the Lanham Act are unconstitutional.

* * * * * * * * * * * *

The trial court has not yet ruled on EMI's motion to dismiss. However, regardless of how the court rules, this case will be appealed both to the Fifth Circuit Court of Appeals, and ultimately, to the U.S. Supreme Court. It is that important.

3. Please describe situations where you have been involved in receiving a cease- and-desist letter. Anecdotal information might include, but is not limited to, a description of whether the letter resulted in the small business ceasing its use of one

or more marks, or whether the sender of the cease-and-desist letter withdrew or abandoned its demands against the small business owner.

RESPONSE:

See above answer and Exhibits A and B.

4. **Please describe situations where you have been involved in trademark litigation in state or federal courts. Anecdotal information might include, but is not limited to, a description of whether the lawsuit settled on the basis of the small business agreeing to cease its use of one or more marks, or on the basis of the plaintiff withdrawing or abandoning its trademark-related allegation(s).**

RESPONSE:

See above answer and Exhibits A and B.

5. **Please describe situations where you have been involved in opposition/cancellation proceedings instituted at the USPTO against small business owners.**

RESPONSE:

See above answer and Exhibits A and B.

6. **Do you think trademark "bullies"—a trademark owner that uses its trademark rights to harass and intimidate another business beyond what the law might be reasonably interpreted to allow—are currently a problem for trademark owners, and if so, how significant is the problem?**

RESPONSE:

The answer is a resounding "yes." After I filed my personal lawsuit challenging EMI's ownership of the noun "entrepreneur," I received many phone calls and emails from attorneys and small business owners all over the U.S. informing me that EMI had done the exact same thing to them. Almost all of them rolled over because they did not have the expertise or the money to pay attorneys to fight EMI. This is a tragedy. But more significantly, this has resulted in a suppression of free speech.

This has also resulted in the monopolization of a noun, the very nightmare every court that has opined on the subject has warned against.

The following is an excerpt of the brief I filed with the Federal District Court in Austin, Texas on the topic of the monopolization of a noun:

If the mark in question is not capable of distinguishing a particular good or service as being provided by a single, exclusive source, it is illegal to grant the owner of that mark a monopoly on the use of the word. *See Teflora, Inc. v. Florists Transworld Delivery Ass'n*, 217 U.S.P.Q.2d 1081, 1083 (TTAB 1981)("Because the term Easter basket is the common descriptive name for a bouquet in a basket for Easter, it cannot be a trademark subject to monopolization by FTD under the federal trademark laws or at common law.")

Moreover, granting anyone a monopoly on the use of a common word that is incapable of identifying a single, exclusive source of a particular good or service, violates both the First Amendment and Antitrust laws. *Homemakers Home and Health and Health Care Service, v. Chicago Home For the Friendless*, 484 F.2d 625, 628 (7th Cir. 1973)(finding that trademarking the word "homemakers," when there was no proof of secondary meaning, would grant an illegal monopoly on the use of a common noun and would be an infringement on Free Speech); *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 214 (2000)("*Competition is deterred*, not merely by a successful suit, but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not to be worth the candle."); *Peaceable Planet, Inc. v. Ty, Inc.*, 362 F.3d 986, 988 (7th Cir. 2004)("If the first firm to produce an all-bran cereal could obtain immediate protection, and thus prevent all other producers of all-bran cereal from describing their product as all-bran, it would be *difficult for competitors* to gain a foothold in the market. *They would be as if speechless*.")(emphasis added).

The Seventh Circuit has recognized the First Amendment problems of granting anyone a monopoly on the use of a common word that is "merely descriptive," stating, "A descriptive mark is bad for two reasons: First, because it does not advise the public that the article comes form a single source; and second, that if so, since the word is descriptive of the goods, the protection of the word as a trademark would be an *infringement upon common speech*, which in the use of the word, likewise is descriptive." *E.F. Drew & Co., v. Pam Industries, Inc.*, 299 F.2d 777, 779 (7th Cir. 1962); *see also Homemakers Home and Health and Health Care Service, v. Chicago Home For the Friendless*, 484 F.2d 625, 628 (7th Cir. 1973)(finding that trademarking the word "homemakers," when there was no proof of secondary meaning, would grant an illegal monopoly on the use of a common noun and would be an infringement on Free Speech).

Judge Posner put it best when he said:

> If a generic word could be trademarked by the producer of one brand of the product denoted by the word, and thus (upon proof of likely confusion) barred to use by producers of competing brands, the producer who trademarked it would have a *competitive advantage* that bore no relation to the relative efficiency. Competitors would have difficulty informing consumer that they *were competitors*, because they would be unable, without elaborate and possibly confusing paraphrase, to give the name of the product they were selling. *Door Systems, Inc. Pro Line Door Systems*, 83 F.3d 169, 171 (7th Cir. 1996)("emphasis added).

The Fifth Circuit is equally committed to engaging in First Amendment analysis where trademarks are concerned, stating, "[T]his court has already been committed to exercising sensitivity for First Amendment interests where trademark violations are asserted." *Westchester Media v. PRL USA Holdings, Inc.* 214 F.3d 658, k672 (5th Cir. 2000).

Similarly, the Seventh Circuit has held, "Moreover, monopoly rights in a single common word, as opposed to combinations of different words, involve a much more substantial infringement

upon common speech." *Homemakers Home and Health and Health Care Service, v. Chicago Home For the Friendless*, 484 F.2d 625, 628 (7th Cir. 1973)(finding that trademarking the word "homemakers," when there was no proof of secondary meaning, would grant an illegal monopoly on the use of a common noun and would be an infringement on Free Speech).

* * * * * * * * *

Never before have the concerns of the above courts over granting an illegal monopoly to a rogue dictator been better exemplified than by what EMI has been doing to small business owners over the last 20 years. There has never been a better example of illegal "bullying" than EMI's conduct.

7. Do you think aggressive litigation tactics are more pervasive in the trademark area than in other areas of the law?

RESPONSE:

It is not the litigation tactics themselves that are more aggressive. Litigation itself will always be aggressive. It is the *threat of* litigation in the trademark arena that is more aggressive because giant companies know that small businesses cannot afford to fight -- regardless of the merits of their case. The U.S. Supreme Court expressly stated this problem as follows:

> *Competition is deterred*, not merely by a successful suit, but by the plausible *threat of successful suit*, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not to be worth the candle. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 214 (2000)(emphasis added).

It is too easy for corporate giants like EMI to misstate the law, and to misrepresent the holdings of the courts in a successful effort to keep the small business owners in the dark about their rights.

For approximately 20 years, EMI has been intimidating small business owners into giving up their rights to use the common noun "entrepreneur" (and derivations thereof), a noun which has been in the public domain for 300 years. Why? Because very few can afford to fight EMI, and very few know that it is not legal to own a common noun. This is abusive, and, in fact, it violates the First Amendment of the U.S. Constitution.

8. Do you think the USPTO has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should the USPTO do?

RESPONSE:

Yes, the USPTO can stop granting "incontestable" status to trademarks solely on the basis of a claim that the applicant has used a common noun "exclusively" for 5 years or more. Also, the USPTO can actually require the applicants to submit tangible evidence that the mark in question has acquired "secondary meaning" – instead of just accepting the applicants word for it (via an affidavit or declaration).

The USPTO can also stop granting trademark applications simply because the owner happens to have acquired the rights to a previous similar or identical registered mark. Each mark should stand or fall on its own merits.

Rule 2.41(b) allowed EMI to submit nothing more than an affidavit claiming ownership of a previous mark and a statement of continued and exclusive use for five years.

The problem with Rule 2.41(b) is that – when considering a new application, the USPTO has no idea how the new applicant came to acquire the rights to a previous similar or identical mark, and no idea whether the previous mark was granted properly or not.

9. **Do you think the U.S. courts have a responsibility to do something to discourage trademark bullies? If yes, what should the U.S. courts do?**

RESPONSE

Courts should be allowed to introduce evidence that the mark in question lacks "secondary meaning" regardless of how long the owner has held the trademark.

Courts should invalidate both "Incontestable" provisions of the Lanham Act on Free Speech grounds.

Justice Stevens put it best when he made the following three statements:

(a) No one ever suggested that *any public purpose* would be served by granting incontestable status to a mark that should never have been accepted for registration in the first instance." *See Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 210 - 214 (1985)(J. Stevens, dissenting)(emphasis added).

* * * * * * * * * *

(b) But if no proof of secondary meaning is ever presented, either to the Patent and Trademark Office or to a court, *there is simply no rational basis* for leaping to the conclusion that the passage of time has transformed an inherently defective mark into an incontestable one. *Id.* (emphasis added)

* * * * * * * * * * *

(c) Congress enacted the Lanham Act "to secure trademark owners in the goodwill which they have built up." But without a showing of secondary meaning, there is no basis upon which to conclude that petitioner has built up any goodwill that is secured by the mark." *Id.*

10. **What other U.S. agencies may have a responsibility to do something about the problem?**

RESPONSE:

The Federal Trade Commission

11. **Do you think Congress has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should Congress do?**

RESPONSE:

Congress should repeal the two "Incontestable" provisions of the Lanham Act. Section 1065 is the statute that allows a trademark to become "incontestable" without a showing that the mark ever had or continues to have "secondary meaning," or that it continues to serve the public good by designating a single, exclusive source of the goods or services at issue. Section 1115(b) is the section that prohibits the defendant in an infringement action from submitting evidence that the mark lacks "secondary meaning" or that consumers simply do not associate that mark with a single, exclusive provider of the goods or services at issue.

Congress should also pass an amendment requiring the application to submit tangible proof that the mark in question has acquired "secondary meaning" – instead of simply taking the applicant's word for it.

CONCLUSION

The undersigned sincerely requests that the Under Secretary read the brief attached hereto as Exhibit B – because, *more than anything else*, that brief explains how EMI has been using an invalid trademark to "bully" small business owners for approximately 20 years.

Sincerely,

Daniel R. Castro

EXHIBIT – A
CASTRO's FIRST AMENDED COMPLAINT

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

Daniel R. Castro	§	
Plaintiff	§	
	§	
	§	
v.	§	**CIVIL ACTION NO: 10CA695**
	§	
	§	
	§	
ENTREPRENEUR MEDIA, INC.	§	
Defendant	§	

FIRST AMENDED ORIGINAL COMPLAINT

Pursuant to FRCP 15, Daniel R. Castro, comes forth and files this First Amended Original Complaint against entrepreneur Media, Inc., and for cause of action, would show unto the Court as follows:

I. THIS AMENDMENT CAN BE MADE FREE AT ANY TIME BEFORE A RESPONSIVE PLEADING IS FILED.

1.1 Rule 15 allows Castro to file this First Amended Original Complaint without leave of Court because it is being filed before any responsive pleading is filed, and within twenty days after it was served. Defendant was served on September 16, 2010.

1.2 Accordingly, Castro hereby files this First Amended Complaint.

II. SUBJECT MATTER JURISDICTION AND VENUE

2.1 Plaintiff is seeking a declaration of rights with respect to federal trademark laws, the First Amendment of the United States Constitution and the Anticybersquatting Consumer Protection Act.

2.2 This Court's jurisdiction over this matter is proper pursuant to 28 USC §§ 1331, 1332 and 1338(a)(b), and pursuant to 15 U.S.C. § 1121(a)(Trademarks), 28 U.S.C. 2201 (Declaratory Judgment Act), 15 U.S.C. §2 (Sherman Antitrust Act).

2.3 Venue is proper in this judicial district pursuant to 28 USC §1391 (b)(c), and 28 U.S.C. § 1392, in that Defendant is a corporation that is subject to personal jurisdiction in this district, and because a substantial part of the events or omissions giving rise to the claims occurred in this district, and the property that is the subject of this action is located in this district.

III. PERSONAL JURISDICTION

3.1 This Court has personal jurisdiction over the defendant because: (a) the defendant's contacts with the State of Texas are continuous and systematic; and (b) the defendant purposefully directs its activities to the residents of the State of Texas and plaintiff's cause of action arises out of, or is related to the defendant's contacts with the State of Texas.

3.2 Defendant markets and sells magazines in bookstores and news stands throughout Texas, including this District.

3.3 Defendant does business over the internet by entering into contracts with Texas residents, which contracts involve the knowing and repeated transmission of computer files over the internet.

3.4 Moreover, defendant's website is sufficiently interactive and commercial in nature to justify personal jurisdiction in that it processes credit cards, sells monthly subscriptions to its Texas users, allows subscribers to download articles, and provides e-mail addresses and links for customer service problems.

IV. THE PARTIES

4.1 Plaintiff is Daniel R. Castro, is an award-winning author, and professional keynote speaker/trainer residing in Travis County, Texas.

4.2 Defendant is Entrepreneur Media, Inc. a California corporation, doing business all over the world via the internet, and selling magazines throughout the United States, including Texas, and may be served with process by serving its registered agent, Ronald L. Young at his office address at: 2445 McCabe Way Suite 400, Irvine, California 92614.

V. FACTS

5.1 Daniel R. Castro is an award-winning author, a professional keynote speaker/trainer and seminar leader, as well as a small business owner in Austin, Texas. He is currently working on his second book[1], which has a working title of "Anatomy of the Entrepreneur's Brain." Castro has conducted approximately five years of research into the lives of legendary entrepreneurs throughout history, and is currently interviewing modern day, currently living entrepreneurs in support of his book.

5.2 Castro also writes articles on the subject of entrepreneurs and entrepreneurship for free distribution in print magazines, business journals and online distribution through Ezines.[2]

5.3 Castro often gives keynote presentations and conducts seminars and workshops for Fortune 500 companies on the topic of entrepreneurs, innovation and entrepreneurship. Some of Castro's clients include IBM, Dell, Inc., Northwestern Mutual Insurance, the American Red Cross, The City of Austin, The State of Texas Comptroller, the U.T. School of Law, and the U.S. Military ("Wounded Warriors Transition Unit").

[1] Castro's first book, CRITICAL CHOICES THAT CHANGE LIVES, won a few awards and is now selling all over the world.
[2] An "Ezine" is an online magazine usually distributed via email or via websites.

5.4 Castro is about to launch a Boot Camp For Entrepreneurs in which he will teach corporate executives how to think and act more like entrepreneurs and how to be more innovative. Certain modules of the Boot Camp will also teach people how to launch their own business.

5.5 In early January 2009, Castro coined the word "EntrepreNeurology" and began using it in commerce.

5.6 On January 16, 2009, Castro applied for the registration of the mark "EntrepreNeurology." No one opposed the mark.

5.7 On August 4, 2009, the trademark registration was granted. That mark now has the Registration No: 3,663,282. A true and correct copy of the Registration Certificate is attached as Exhibit 1.

5.8 In early September 2009, Castro coined the words EntrepreneurOlogy, and the virtually identical Entrepreneur.Ology. In early February 2010, Castro purchased the domain name www.EntrepreneurOlogy.com, and began using both of these marks in commerce. Castro gave these almost identical words the following meaning:

> "The study of HOW entrepreneurs think; WHY they can make money in any economy; HOW they assess risk; HOW they survive and prosper with very little resources; WHY they can see opportunities that are invisible to others; HOW they bounce back from financial crisis; HOW they make millions during severe recession and depression; HOW they foster innovation and creativity in themselves and their teams."

5.9 On October 12, 2009, Castro registered an Assumed Name Certificate with the Travis County Clerk, showing that the mark "entrepreneurology" was the name under which he was doing business. See Exhibit 2.

5.10 A word that has never existed in the English language before is considered "fanciful" and, "inherently distinct", and therefore, entitled to trademark protection.

Classic examples of "fanciful" marks entitled to trademark protection are the words "KODAK" and "EXXON."

5.11 In February, 2010, Castro created a website under the domain name www.EntrepreneurOlogy.com to market his services as a keynote speaker, trainer and workshop leader, as well as to market his Boot Camp For Entrepreneurs. Castro has marketed his services under three virtually identical marks: (1) EntrepreneurOlogy; (2) Entrepreneur.Ology; and (3) EntrepreNeurology. The only difference in these marks is the "dot" between the word "entrepreneur" and "ology," and the capitalization of the "N" in one word and the "O" in the other.

5.12 On March 20, 2010, Castro submitted his application for trademark registration of the mark "Entrepreneur.Ology" to the U.S. Patent and Trademark Office.

5.13 The Defendant, EMI, does not claim ownership of the marks EntrepreneurOlogy, Entrepreneur.Ology, or EntrepreNeurology. Indeed, it never has.

5.14 The Defendant, EMI, does not claim ownership of the domain name www.EntrepreneurOlogy.com

5.15 Instead, EMI claims ownership of the mark "ENTREPRENEUR" and operates a magazine under that mark. The word "entrepreneur" is a word of French origin which has existed in the public domain for hundreds of years. The Oxford English Dictionary defines "entrepreneur" as "one who undertakes an enterprise; one who owns and manages a business; a person who takes the risk of profit or loss." The Compact Oxford English Dictionary 522 (2d ed. 1991).

5.16 EMI does not claim that the word "entrepreneur" is a "made-up" word or "fanciful" or "inherently distinct" under the Lanham Act.

5.17 Nor can EMI show conclusive evidence that the mark "ENTREPRENEUR" distinguishes its products and services from anyone else's products and services related to entrepreneurship.

5.18 Nor can EMI show that consumers associate the word "ENTREPRENEUR" exclusively with its magazine.

5.19 Castro has never made any reference to Defendant's magazine, and has never done anything to imply that his products or services have any affiliation with ENTREPRENEUR magazine, or are sponsored by ENTREPRENEUR magazine.

5.20 Moreover, Castro does not market or sell a print or online magazine of any kind. He simply writes books and articles on the subject of entrepreneurs and entrepreneurship for free distribution in print magazines, business journals, websites and online blogs, and provides keynote presentations, seminars, workshops and Boot Camps for entrepreneurs.

5.21 Castro does not make a dime (nor does he attempt to) from the publication of these articles.

5.22 Castro's trademark application for the mark "Entrepreneur.Ology" went unchallenged until two days before the deadline for opposition expired. Two days before the deadline, EMI filed a motion to extend the deadline to oppose the mark. See Exhibit 3.

5.23 EMI has not yet filed its opposition to Castro's trademark.

5.24 On September 7, 2010, counsel for EMI faxed Castro a "cease and desist" letter claiming that it owns a trademark on the mark "ENTREPRENEUR." See Exhibit 4.

5.25 In the same letter, EMI threatened to sue Castro if he did not give up rights to the mark "Entrepreneur.Ology" and the domain name: www.EntrepreneurOlogy.com. EMI

gave Castro a deadline of September 21, 2010 to give up these valuable legal rights. See Exhibit 4.

5.26 EMI has a pattern and practice of threatening, intimidating and actually suing anyone who uses the word "entrepreneur" or any derivation of that word in its marketing materials. As such, EMI specifically intends to attempt to monopolize the market that provides magazines, books, articles, websites, blogs, trade shows, workshops, seminars, boot camps, and keynote presentations on the topic of entrepreneurs and entrepreneurship.

5.27 EMI has sufficient market power in this market that there is a "dangerous probability" that it will succeed in monopolizing this market.

5.28 EMI's conduct is harming competition in this market, not merely a specific competitor.

5.29 EMI claims that its trademark on the word "entrepreneur" is incontestable under 15 U.S.C. § 1065, a claim which Castro challenges in this action.

5.30 It is because of this impending lawsuit and because an actual controversy exists between Castro and EMI over the right to use mark Entrepreneur.Ology, and the domain name www.EntrepreneurOlogy.com, as well as his right to use the word "entrepreneur" and its derivatives in his books, articles, seminars, workshops and his Boot Camp, that Castro chose to file this action at this time.

VI. STANDING

6.1 Castro has standing to bring this action because an actual, justiciable, and substantial controversy of sufficient immediacy and reality exists between the parties over the right to the ownership of the mark Entrepreneur.Ology, and the domain name www.EntrepreneurOlogy.com, and because EMI has threatened legal action against

Castro if he does not cease and desist from using this domain name and the mark Entrepreneur.Ology.

6.2 Also at issue is Castro's First Amendment right to use the generic word "entrepreneur" and any derivatives of that word, in his upcoming book "Anatomy of the Entrepreneur's Brain," and in the substance of his articles dealing with entrepreneurs and entrepreneurship, as well as in the substance of his keynotes, seminars, workshops and his Boot Camp For Entrepreneurs, as well as in the marketing of the same.

VII. CAUSES OF ACTION

A. DECLARATION THAT 15 U.S.C. §1065, and 15 U.S.C. 1115(b) ARE UNCONSTITUTIONAL ON THEIR FACE AND AS APPLIED

7.1 Plaintiff incorporates all preceding and proceeding paragraphs herein by reference.

7.2 Castro seeks a judicial declaration that EMI's attempt to shield itself behind the Lanham Act's "incontestable" status is an attempt to kidnap the word "entrepreneur" from the lexicon of the English language, and is, therefore, a violation of the First Amendment.

7.3 Plaintiff seeks a judicial declaration that 15 U.S.C. §1065 is unconstitutional on its face and as applied because it violates Plaintiff's First Amendment rights to freedom of speech and freedom of expression in the use of the word "entrepreneur" and derivations thereof.

7.4 Plaintiff seeks a judicial declaration that 15 U.S.C. 1115(b)(the language declaring an incontestable mark as "conclusive evidence of the validity of the registered mark") is unconstitutional on its face and as applied because it violates Plaintiff's First

Amendment rights to freedom of speech and freedom of expression in the use of the word "entrepreneur" and derivations thereof.

7.5 The common word "entrepreneur" is a generic noun that is in the public domain and which has been around for hundreds of years. The fact that a term resides in the public domain lessens the possibility that a purchaser would be confused and think that the mark came from a particular source.

7.6 No one should be allowed to use the Lanham Act's "incontestable" status to kidnap a commonly used word from the English lexicon.

7.7 While the trademark owner has an interest in preventing consumer confusion, there is a broad constitutional interest in preserving common, useful words for the public domain.

7.8 Castro, and authors worldwide, have been using the word "entrepreneur" in their books and articles for hundreds of years, and should be allowed the freedom to continue doing so for eternity. Every day, the Wall Street Journal, the New York Times, Forbes Magazine and Fortune Magazine use some derivation of the word "entrepreneur" in their publications. If EMI is allowed an "incontestable" trademark in that word, then each of these publications violate EMI's trademark every single day – multiple times a day.

7.9 Therefore, Castro requests a judicial declaration that 15 U.S.C. §1065, and 15 U.S.C. §1115(b) under which EMI claims its mark is "incontestable" should be declared unconstitutional as a violation of the First Amendment on its face and as applied.

B. DECLARATION THAT EMI'S MARK IS NOT "INCONTESTABLE"

7.10 Even if this court upholds the constitutionality of 15 U.S.C. §1065, and 15 U.S.C. §1115(b), Castro seeks a judicial declaration that EMI's mark "ENTREPRENEUR" does not qualify for "incontestable" status under 15 U.S.C. §1065.

7.11 Plaintiff seeks a judicial declaration that EMI's trademark is not "incontestable" for the following reasons:

7.12 It is well established law that even if a "junior user's" mark has attained "incontestable" status, such status does not cut off the rights of the "senior user."

7.13 It is undisputed that Castro is the "senior user" of the following three marks: (1) EntrepreNeurology; (2) EntrepreneurOlogy; and (3) Entrepreneur.Ology.

7.14 Castro started using the marks "EntrepreNeurology," "EntrepreneurOlogy" and Entrepreneur.Ology BEFORE Defendant even knew they existed. Castro obtained a federally registered trademark in the mark "EntrepreNeurology" before EMI knew it existed. In fact, EMI has never claimed any ownership interest in any of these three marks.

7.15 Castro's use of these three marks has been continuous from the beginning.

7.16 Therefore, Castro is the senior user of these three marks, and EMI's claim that the mark "ENTREPRENEUR" is "incontestable" does not make it "incontestable" as to Castro's three marks.

7.17 In addition, EMI's trademark is not "incontestable" because the term "entrepreneur" is merely generic. No "incontestable" right can be obtained in a mark which is a generic name for goods or services. 15 U.S.C. §1065

7.18 EMI's trademark is not "incontestable" because EMI has abused its trademark by using it in restraint of trade in violation of the U.S. Antitrust Laws. Specifically, EMI is abusing trademark law by using its trademark in an attempt to monopolize trade and/or commerce among the several states in violation of Section 2 of the Sherman Antitrust Act. 15 U.S.C. §2; See 15 U.S.C. §1065.

7.19 EMI has demonstrated the requisite "specific intent" to monopolize by engaging in a pattern of anticompetitive conduct designed to create barriers to entry into, and exclude competition from, the market that provides magazines, books, articles, websites, blogs, trade shows, workshops, seminars, boot camps, and keynote presentations on the topic of entrepreneurs and entrepreneurship. This unilateral conduct comes "dangerously close" to achieving monopoly power and is having an anticompetitive effect on a substantial amount of interstate commerce. EMI has sufficient market power in the above described market to be held liable for "attempted monopolization" under Section 2 of the Sherman Antitrust Act. Therefore, there is a "dangerous probability" that EMI's attempt to monopolize will succeed.

7.20 EMI's pattern of attempting to steal other people's domain names (which were properly owned and registered) and threatening expensive litigation – simply because they have used a derivation of the word "entrepreneur" is exclusionary and anticompetitive because it is not necessary for competition on the merits, and is not reasonably necessary to compete on the merits. It is therefore, not supported by a valid business reason. EMI's behavior is designed to destroy competition, not simply to destroy a competitor.

7.21 As such, Castro seeks a judicial declaration that EMI's trademark in the mark "ENTREPRENEUR" is invalid and should be cancelled.

C. DECLARATION OF INVALIDITY AND REQUEST FOR CANCELLATION

7.22 Even if this court rules that EMI's mark is "incontestable," Castro requests a judicial declaration that the mark is invalid and requests that it be cancelled. An

"incontestable" mark that becomes generic may be cancelled at any time pursuant to 15 U.S.C. §1064(3).

7.23 Under 15 U.S.C. §§ 1052 and 1065(4), Castro seeks a judicial declaration that EMI's trademark in the word "entrepreneur" is invalid, unenforceable, and should be cancelled for the following reasons:

7.24 EMI's mark does not serve to identify and distinguish EMI's goods and services from those of others and do not otherwise function as trademarks as defined in Section 45 of the Lanham Act, 15 U.S.C. § 1127.

7.25 The public has NOT come to associate the word "entrepreneur" *exclusively* with EMI's products or services.

7.26 Plaintiff also requests a cancellation of EMI's trademark because EMI has used it in restraint of trade in violation of Section 2 of the Sherman Antitrust Act (for all the factual reasons previously described, which are incorporated herein by reference) 15 U.S.C. §2.

7.27 Pursuant to Section 37 of the Lanham Act, 15 U.S.C. 1119, this Court should order the Director of the United States Patent and Trademark Office to cancel each of the following of EMI's registrations:

Registration No. 1,453,968 in International Classes 9, 16, 35 and 41.

Registration No. 2,502,032 in International Classes 9, 16, 35, and 41.

Registration No. 3,520,633 in International Classes 9, 16, 35, and 41.

Registration No. 2,263,883 in International Classes 9, 16, 35, and 41.

Registration No. 2,033,423 in International Classes 9, 16, 35, and 41.

Registration No. 2,287,413 in International Classes 9, 16, 35, and 41.

Registration No. 2,174,757 in International Classes 9, 16, 35, and 41.

Registration No. 1,854,603 in International Classes 9, 16, 35, and 41.

Registration No. 2,215,674 in International Classes 9, 16, 35, and 41.

Registration No. 2,502,032 in International Classes 9, 16, 35, and 41.

Registration No. 3,204,899 in International Classes 9, 16, 35, and 41.

Registration No. 3,266,532 in International Classes 9, 16, 35, and 41.

Registration No. 3,374,476 in International Classes 9, 16, 35, and 41.

Registration No. 2,653,302 in International Classes 9, 16, 35, and 41.

Registration No. 3,470,064 in International Classes 9, 16, 35, and 41.

Registration No. 3,315,154 in International Classes 9, 16, 35, and 41.

Registration No. 2,391,145 in International Classes 9, 16, 35, and 41.

7.28 This court is empowered to declare invalid and unenforceable and to cancel Defendant's registered "entrepreneur" trademark. Section 37 of the Lanham Act, 15 U.S.C. § 1119, provides as follows: "In any action involving a registered mark, the court may determine the right to registration, order the cancellation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to registrations of any part to the action. Decrees and orders shall be certified by the court to the Director, who shall make appropriate entry upon the records of the Patent and Trademark Office, and shall be controlled thereby." 15 U.S.C. §1119.

D. DECLARATION OF NON-INFRINGEMENT AND/OR ALLOWABLE USE

7.29 Even if this Court rules that EMI's mark is valid, Castro seeks a judicial declaration that his use of the word "entrepreneur" and any derivative thereof, in his books, articles, keynotes, seminars, workshops, websites, and marketing materials

promoting the same, is entitled to First Amendment protection, and is, therefore, non-infringing.

7.30 Castro also seeks a judicial declaration that his marks: (1) EntrepreNeurology; (2) Entrepreneur.Ology; and (3) the domain name www.EntrepreneurOlogy.com do not infringe on EMI's mark, or are otherwise allowed, for the following reasons:

7.31 It is well established that this word "incontestable" is very misleading because there are at least nine statutory defenses to an "incontestable" trademark. 15 U.S.C. 1115(b)(1) – (9).

7.32 Even if EMI's mark is "incontestable," it is very weak because the word has been in the public domain for hundreds of years, and is commonly used in the marketplace.

7.33 Widespread use of the word "entrepreneur" throughout the world serves as confirmation of the need for the public to use that word. There are few, if any synonyms for the word "entrepreneur."

7.34 The evidence will show that many worldwide publications, including the Wall Street Journal, the New York Times, Forbes Magazine and Fortune Magazine use the word "entrepreneur" thousands of times each month, both online and in their hard print versions.

7.35 The Ninth Circuit has already ruled that "EMI cannot have the exclusive right to use the word "entrepreneur" in any mark identifying a printed publication addressing subjects related to entrepreneurship." *See EMI, Inc. v. Smith*, 279 F.3d 1135 (9th Cir. 2002).

7.36 Castro also seeks a declaration that his use of the mark EntrepreneurOlogy and the domain name www.EntrepreneurOlogy.com are protected as: (a) fair use (under 15 U.S.C. 1115(b)(4) of the Lanham Act; (b) nominative fair use (under federal common

law); (c) because Castro used and registered the marks first. See 15 U.S.C. 1115(b)(6) of the Lanham Act; and (d) because EMI has abused its trademark by using it in restraint of trade in violation of Section 2 of the Sherman Antitrust Act (for all the factual reasons previously described, which are incorporated herein by reference), 15 U.S.C.§ 1115(b)(7); and (e) Free Speech under the First Amendment.

7.37 Castro's use of the word "Entrepreneur.Ology and the domain, www.EntrepreneurOlogy.com meet all the criteria for nominative use: (1) Castro's keynotes, workshops, seminars, books, articles and website are NOT readily identifiable without the use of the mark; (2) only so much of the mark is being used as is reasonably necessary to identify Castro's keynotes, seminars, workshops, books, articles, and website; and (3) Castro has done nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by EMI.

7.38 There is no other single word that describes people who start and run businesses as succinctly or precisely as the word "entrepreneur." Therefore, Castro cannot effectively market keynotes, seminars, workshops, books, articles, and a website dedicated to the study of entrepreneurs and entrepreneurship without use of some derivative of the word "entrepreneur." Castro has used only so much of the mark as is reasonably necessary to identify his keynotes, seminars, workshops, books, articles, and website.

7.39 Under the "fair use doctrine," Castro is entitled to use the word "entrepreneur" and any derivative thereof, to describe his keynotes, seminars, workshops, books, articles, and websites (as well in the content of the same) regardless of whether Defendant's claimed trademark is registered. See Section 33(b)(4) of the Lanham Act.

7.40 Castro has used the mark Entrepreneur.Ology and the domain name www.EntrepreneurOlogy in good faith with no attempt to imply sponsorship by or affiliation with ENTREPRENEURSHIP magazine. There is no evidence to the contrary.

7.41 In short, Castro's fair use of the word "entrepreneur" is allowed, and to the extent EMI's trademark may be found valid or enforceable, should be declared non-infringing, or otherwise allowed.

E. ESTOPPEL AND ACQUIESCENCE

7.42 EMI is barred from claiming infringement under the doctrines of estoppel and acquiescence because it failed to oppose Castro's trademark registration of the mark "EntrepreNeurology" and has never challenged Castro's use of this mark in commerce.

7.43 Castro applied for registration of the mark "EntrepreNeurology" on January 16, 2009, and received an unopposed registration of his mark "EntrepreNeurology" on August 4, 2009. That mark now has the Registration No: 3,663,282. See Exhibit 1.

7.44 Therefore, EMI is barred from now claiming infringement based on Castro's use of the virtually identical mark Entrepreneur.Ology or the domain name www.EntrepreneurOlogy.com.

F. DECLARATION THAT CASTRO'S MARKS DO NOT CONSTITUTE UNFAIR COMPETITION UNDER 15 U.S.C. 1125.

7.45 Plaintiff incorporates all preceding and proceeding paragraphs herein by reference.

7.46 For all of the reasons already stated in this Complaint, Castro seeks a judicial declaration that his use of the marks: (1) Entrepreneur.Ology; (2) www.EntrepreneurOlogy.com; and (3) EntrepreNeurology do not constitute "unfair competition" in violation of 15 U.S.C. 1125.

G. VIOLATION OF ANTITRUST LAWS

7.47 EMI is guilty of violating Section 2 of the Sherman Antitrust Act in an attempt to monopolize trade and/or commerce among the several states in violation of Section 2 of the Sherman Antitrust Act. 15 U.S.C. §2.

7.48 EMI has demonstrated the requisite "specific intent" to monopolize by engaging in a pattern of anticompetitive conduct designed to create barriers to entry into, and exclude competition from, the market that provides magazines, books, articles, websites, blogs, trade shows, workshops, seminars, boot camps, and keynote presentations on the topic of entrepreneurs and entrepreneurship.

7.49 This unilateral conduct comes "dangerously close" to achieving monopoly power and is having an anticompetitive effect on a substantial amount of interstate commerce. EMI has sufficient market power in the relevant market (described above) to be held liable for "attempted monopolization" under Section 2 of the Sherman Antitrust Act. Therefore, there is a "dangerous probability" that EMI's attempt to monopolize will succeed.

7.50 EMI's pattern of attempting to steal other people's domain names (which were properly owned and registered) and by threatening expensive litigation – simply because they have used a derivation of the word "entrepreneur" is exclusionary and anticompetitive because it is not necessary for competition on the merits, and is not reasonably necessary to compete on the merits. It is therefore, not supported by a valid business reason.

7.51 EMI's pattern of threats and lawsuits against anyone who uses any variation of the common noun "entrepreneur" is an attempt to create a monopoly and a barrier to into the market that provides magazines, books, articles, websites, blogs, trade shows,

workshops, seminars, boot camps, and keynote presentations on the topic of entrepreneurs and entrepreneurship. EMI's behavior is designed to destroy competition, not simply to destroy a competitor.

7.52 Defendant's threatening letter to Castro (and to other small businesses) demonstrates bad faith and exhibits a "specific intent" to use the trademark laws to minimize competition in the relevant market described above. Defendant's September 7, 2010 letter (as well as its similar letters to other entrepreneurs across America) is evidence of a "specific intent" to exclude competition and prevent anyone from using any derivation of the word "entrepreneur" in connection with magazines, seminars, workshops, keynotes, books, articles, websites and blogs related to the topic of entrepreneurs and entrepreneurship. In so doing, Defendants are not only seeking exclusive use of the word "entrepreneur," but also the exclusive right to conduct seminars, workshops, keynotes, boot camps, and to publish magazines, books and articles related to entrepreneurship, and create websites and blogs dedicated to the study of entrepreneurs and entrepreneurship.

7.53 Castro does not seek actual damages, but rather a temporary and permanent injunction to prevent EMI from continuing to violate Section 2 of the Sherman Antitrust Act.

II. MISUSE OF TRADEMARK AND UNCLEAN HANDS

7.54 Defendant's attempt to prevent Castro and all others from using the word "entrepreneur" constitutes a misuse of the trademark laws, rising to the level of unclean hands, and as such, the trademark is unenforceable, even if there is no technical violation of the Antitrust laws. Thus, Castro's use the mark Entrepreneur.Ology and the domain name, www.EntrepreneurOlogy.com are allowed. Castro's use of the word

"entrepreneur" in the substance of his books, articles, seminars, workshops, websites, and Boot Camp is also allowed.

VIII. SUSPENSION OF TTAB PROCEEDING PENDING OUTCOME OF THIS CASE

8.1 Plaintiff incorporates all preceding and proceeding paragraphs herein by reference.

8.2 The Trademark Trial and Appeal Board ("TTAB") is an administrative body. The remedy for a negative ruling by the TTAB is an appeal directly to a federal district court. See 15 U.S.C. 1071. The district court's review is a *de novo* review. 15 U.S.C. 1071. Therefore, a ruling by the TTAB is not binding on the district court and has no *res judicata* effect on the courts.

8.3 Castro's registration of the mark "Entrepreneur.Ology" is currently pending before the TTAB under Serial Number 77964153. EMI has filed a motion to extend the deadline to oppose the registration, and the motion was automatically granted. See Exhibits 3 and 5 respectively.

8.4 In order to avoid duplicate litigation, and because this court's decision will have a binding effect on the TTAB, Plaintiff hereby requests that this Court issue an order suspending the proceedings before the TTAB.

IX. DECLARATION OF RIGHTS UNDER THE ANTICYBERSQUATTING ACT

9.1 Plaintiff incorporates all preceding and proceeding paragraphs herein by reference.

9.2 EMI has threatened to sue Castro under the Anticybersquatting Consumer Protection Act if he does not turn over to them his right, title and interest in the domain

name: www.EntrepreneurOlogy.com. See Exhibit 4 (Cease & Desist letter demanding that Castro turn over ownership of this domain name).

9.3 Castro seeks a judicial declaration that his registration of the domain www.EntrepreneurOlogy.com is not a violation of the Anticybersquatting Consumer Protection Act. 15 U.S.C. §1125(d) for the following reasons:

9.4 Castro is the owner of the federally registered mark, "EntrepreNeurology," Trademark Registration No: 3,663,282, and is therefore, entitled to register a domain name using that exact spelling. This spelling of the trademark above is exactly the same as in the domain www.EntrepreneurOlogy.com. The only difference is the capitalization of the "N" in one word, and the capitalization of the "O" in the other word. However, in a digital world, neither the internet, nor the consumers, know the difference.

9.5 EMI has never claimed ownership of the mark "EntrepreNeurology" or the mark "EntrepreneurOlogy" and has no ownership interest whatsoever in those marks. Therefore, it is not entitled to protection under the Anticybersquatting Consumer Protection Act. 15 U.S.C. 1125(d).

9.6 Moreover, Castro was using the mark EntrepreneurOlogy and EntrepreNeurology in commerce before EMI, and registered the domain name www.EntrepreneurOlogy.com before EMI. In fact, EMI has never used the word EntrepreNeurology or EntrepreneurOlogy in commerce to market its goods or services.

9.7 It is undisputed that Castro is the owner of the mark "EntrepreneurOlogy" under common law, and is the federally registered owner of the trademark "EntrepreNeurology" under Trademark Registration No: 3,663,282.

9.8 When EMI sent Castro a threatening letter demanding that he turn over his valuable property rights to them, it knew that Castro was the owner of a registered

trademark in the mark "EntrepreNeurology" and therefore, was entitled to register the domain www.EntrepreneurOlogy.com because the spelling is identical. Therefore, EMI's threatening letter is an abuse of the Anticybersquatting Consumer Protection Act and attempt to monopolize in violation of Section 2 of the Sherman Act (for all of the factual reasons previously described, which are incorporated herein by reference).

9.9 Castro registered that domain name in good faith, and has never tried to sell it to EMI or anyone else for profit.

9.10 Because the word "entrepreneur" is a generic word that has been in the public domain for hundreds of years, EMI does not have a mark that is "famous" or "distinct" or has any chance of being confused with the domain: www.EntrepreneurOlogy.com.

9.11 Castro is making a bona fide use of the domain www.EntrepreneurOlogy.com to market his goods and services.

9.12 Castro has not made any attempt to divert customers away from EMI's website or to harm EMI's goodwill in any way.

9.13 Castro has never implied that the domain www.EntrepreneurOlogy.com has any affiliation with or sponsorship or endorsement by EMI.

9.14 The contact information associated with the registration of the domain is Castro's own office address, and the phone number given was his office number. Therefore, there is no evidence that Castro provided any false or misleading contact information in the registration of the domain.

9.15 Castro has never engaged in a pattern of registering multiple domain names which are identical or confusingly similar to marks that belong to others.

9.16 Castro believed in good faith that his registration of the domain name was *fair* use and/or otherwise lawful because he is the owner of Trademark No. 3,663,282 for the

mark "EntrepreNeurology," which has the identical spelling as the domain name in question.

9.17 Therefore, Castro is entitled to a judicial declaration that his ownership and use of the domain www.EntrepreneurOlogy.com is legal and not in violation of the Anticybersquatting Consumer Protection Act.

X. REVERSE DOMAIN NAME HIJACKING

10.1 Plaintiff incorporates all preceding and proceeding paragraphs herein by reference.

10.2 EMI knew Castro was the lawful owner of the federally registered trademark "EntrepreNeurology." Therefore, EMI knew that Castro was entitled to lawfully register the domain www.EntrepreneurOlogy.com because the spelling is identical. Despite this knowledge, EMI sent Castro a letter demanding that he turn over this valuable property right to them. See Exhibit 4 (Cease & Desist letter). This constitutes attempted theft and an attempt to monopolize in violation of Section 2 of the Sherman Antitrust Act.

10.3 EMI also knew that Castro was the first to use the marks EntrepreNeurology and EntrepreneurOlogy in commerce and was the first to register the domain name: www.EntrepreneurOlogy.com.

10.4 EMI knew it had no legitimate claim of ownership of that mark or that domain name.

10.5 EMI knew that Castro was not using that domain to divert consumers away from its website.

10.6 EMI knew that Castro was not using that domain to imply any affiliation with or sponsorship or endorsement by EMI.

10.7 EMI knew that Castro was not in the magazine publishing business.

10.8 EMI knew that Castro had never attempted to sell the domain to EMI or anyone else for profit.

10.9 EMI knew that Castro was only using that domain in a bona fide good faith attempt to market his own goods and services, which are not at all similar to or confusing with EMI's goods and services.

10.10 EMI is abusing the Anticybersquatting Consumer Protection Act in order to restrain trade in violation of Section 2 of the Sherman Antitrust Act (for all the factual reasons previously described, which are incorporated herein by reference), 15 U.S.C. §2. EMI is using the Anticybersquatting Consumer Protection Act in an attempt to steal the lawfully owned and registered domain names from many small business owners, and thereby, bar new entrants into the market that provides magazines, books, articles, websites, blogs, trade shows, workshops, seminars, boot camps, and keynote presentations on the topic of entrepreneurs and entrepreneurship.

10.11 EMI's pattern of threats and lawsuits against anyone who uses any variation of the common noun "entrepreneur" is an attempt to create a monopoly and a barrier to entry for competitors who wish to provide magazines, books, articles, websites, blogs, trade shows, workshops, seminars, boot camps, and keynote presentations on the topic of entrepreneurs and entrepreneurship.

10.12 EMI has demonstrated the requisite "specific intent" to monopolize by engaging in a pattern of anticompetitive conduct designed to create barriers to entry into, and exclude competition from, the market that provides magazines, books, articles, websites, blogs, trade shows, workshops, seminars, boot camps, and keynote presentations on the topic of entrepreneurs and entrepreneurship.

10.13 Specifically, EMI has engaged in a pattern and practice of sending "cease and desist" letters to many competitors demanding that they turn over to EMI their valuable property rights in domain names that use any derivation of the word "entrepreneur." This constitutes attempted theft and an attempt to monopolize in violation of Section 2 of the Sherman Antitrust Act.

10.14 This unilateral conduct comes "dangerously close" to achieving monopoly power and is having an anticompetitive effect on a substantial amount of interstate commerce.

10.15 EMI has sufficient market power in the above described market to be held liable for "attempted monopolization" under Section 2 of the Sherman Antitrust Act. Therefore, there is a "dangerous probability" that EMI's attempt to monopolize will succeed.

10.16 EMI's pattern of attempting to steal other people's domain names (which were properly owned and registered) and threatening expensive litigation – simply because they have used a derivation of the word "entrepreneur" is exclusionary and anticompetitive because it is not necessary for competition on the merits, and is not reasonably necessary to compete on the merits. It is therefore, not supported by a valid business reason. EMI's behavior is designed to destroy competition, not simply to destroy a competitor.

10.17 Defendant's trademark is an essential element, and a basic and fundamental vehicle used in an illegal attempt to monopolize in violation of Section 2 of the Sherman Antitrust Act.

10.18 Castro does not seek actual damages, but rather a temporary and permanent injunction to prevent EMI from continuing to violate Section 2 of the Sherman Antitrust Act.

XI. REMEDIES SOUGHT

11.1 Judicial Declaration that:

(a) 15 U.S.C. 1065, and 15 U.S.C. 1115(b) are unconstitutional on their face and as applied;

(b) EMI's mark "ENTREPRENEUR" does not qualify as "incontestable" under the Lanham Act;

(c) EMI's mark "ENTREPRENEUR," and all of its marks using the word "entrepreneur" as listed in the Registration Numbers in this Complaint are invalid and should be cancelled;

(d) Castro's marks: (1) EntrepreNeurology; (2) Entrepreneur.Ology; and (3) www.EntrepreneurOlogy.com are non-infringing or otherwise allowed;

(e) EMI is barred from enforcing its trademark under the doctrines of estoppel and acquiescence;

(f) Castro's use of the above referenced three marks do not constitute "unfair competition" under 15 U.S.C. §1125;

(g) EMI is using its trademark to restrain trade in violation of Section 2 of the Sherman Antitrust Act;

(h) EMI has abused the Lanham Act and has "unclean hands;"

(i) Castro has not violated the Anticyberquatting Consumer Protection Act;

11.2 For a temporary injunction preventing EMI from continuing to violate Section 2 of the Sherman Antitrust Act.

11.3 For a jury trial on the merits of Castro's Sherman Antitrust claims, and a judgment issuing a permanent injunction preventing EMI from continuing to violate Section 2 of the Sherman Antitrust Act;

11.4 Reasonable and necessary attorney's fees pursuant the Declaratory Judgments Act, the Lanham Act, and the Sherman Antitrust Act;

11.5 Statutory damages as allowed by law;

11.6 An order suspending the proceeding before the TTAB.

XII. REQUEST FOR JURY TRIAL

12.1 Plaintiff hereby requests a trial by jury.

XIII. PRAYER

13.1 Wherefore, Plaintiff requests that the Defendant be cited to appear and answer herein and for Court Orders and Judgment as follows:

13.2 Judicial Declaration that:

(a) 15 U.S.C. 1065, and 15 U.S.C. 1115(b) are unconstitutional on their face and as applied;

(b) EMI's mark "ENTREPRENEUR" does not qualify as "incontestable" under the Lanham Act;

(c) EMI's mark "ENTREPRENEUR," and all of its marks using the word "entrepreneur" as listed in the Registration Numbers in this Complaint are invalid and should be cancelled;

(d) Castro's marks: (1) EntrepreNeurology; (2) Entrepreneur.Ology; and (3) www.EntrepreneurOlogy.com are non-infringing or otherwise allowed;

(e) EMI is barred from enforcing its trademark under the doctrines of estoppel and acquiescence

(f) Castro's use of the above referenced three marks do not constitute "unfair competition" under 15 U.S.C. §1125;

(g) EMI is using its trademark to restrain trade in violation Section 2 of the Sherman Antitrust Act;

(h) EMI has abused the Lanham Act and bar "unclean hands;"

(i) Castro has not violated the Anticybersquatting Consumer Protection Act;

13.3 For a temporary injunction preventing EMI from continuing to violate Section 2 of the Sherman Antitrust Act.

13.4 For a jury trial on the merits of Castro's Sherman Antitrust claims, and a permanent injunction preventing EMI from continuing to violate Section 2 of the Sherman Antitrust Act;

13.5 Reasonable and necessary attorney's fees pursuant the Declaratory Judgments Act, the Lanham Act, and the Sherman Antitrust Act;

13.6 Statutory damages as allowed by law;

13.7 An order suspending the proceeding before the TTAB;

13.8 Costs of Court, and expenses incurred in the litigation;

13.9 Pre and post-judgment interest; and

13.10 Such other and further relief at equity and at law to which Plaintiffs may be justly entitled.

Respectfully submitted,
CASTRO & BAKER, LLP

By: Daniel R. Castro

Daniel R. Castro
State Bar No. 03997390
7800 Shoal Creek Blvd.
Suite 100N
Austin, Texas 78757
(b)(6)

CERTIFICATE OF SERVICE

I hereby certify that on this same date, I have mailed a copy of this pleading to counsel for EMI, Inc. by certified mail at the following address:

Ronald L. Young
2445 McCabe Way
Suite 400
Irvine, California 92614

Daniel R. Castro

Daniel R. Castro

9-28-10
Date

Int. Cl.: 41

Prior U.S. Cls.: 100, 101 and 107

United States Patent and Trademark Office

Reg. No. 3,663,282
Registered Aug. 4, 2009

SERVICE MARK
PRINCIPAL REGISTER

EntrepreNeurology

CASTRO, DANIEL R. (UNITED STATES INDIVIDUAL)
BUILDING I, SUITE 430
12401 RESEARCH BLVD
AUSTIN, TX 78759

FOR: CONDUCTING WORKSHOPS AND SEMINARS IN INNOVATION AND STRATEGIC PLANNING, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 1-7-2000; IN COMMERCE 1-7-2000.

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

SER. NO. 77-631,410, FILED 1-16-2009.

NICHOLAS COLEMAN, EXAMINING ATTORNEY

EXHIBIT 1

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2009 Oct 12 02:48 PM 2009171356

HAYWOOD $15.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

EXHIBIT 2

DANA DeBEAUVOIR
Travis County Clerk
(512) 854-9188
P. O. Box 149325, Austin, Texas 78714-9325
5501 Airport Blvd, Austin, Texas 78751
www.co.travis.tx.us

2009171356
2 PGS

Assumed Name Records Certificate of Ownership
For Unincorporated Business or Profession

Notice: "Certificate of Ownership" are valid only for a period not to exceed 10 years from the date filed in the County Clerk's Office (Chapter 36, Section 1, Title 4 of the Business and Commerce Code). This Certificate properly executed is to be filed immediately with the County Clerk.

Business Name: Entrepreneurology

Business Address: 12401 Research Blvd Bldg I, Suite 450

City: Austin State: TX ZIP Code: 78759

This Assumed Name will be used for 10 years unless indicated here: _____

Business is to be conducted as (check one):

☑ Proprietorship ☐ Joint Venture ☐ Real Estate Investment Trust ☐ Mutual Fund Company

☐ Limited Partnership ☐ Sole Proprietor ☐ General Partnership ☐ Other (name type) _____

I/We, the undersigned, are the owner(s) of the above business and represent name(s) and address(es) given above true and correct and there is/are no owner(s) in said business other than those listed herein below. Name of owner:

Name: Daniel R Castro Signature: Daniel R Castro

Residence Address: 12401 Research Blvd City: _____ State: _____ ZIP: _____

Name: Building I, Suite 450, Austin, TX 78759

Residence Address: _____ City: _____ State: _____ ZIP: _____

Name: _____ Signature: _____

Residence Address: _____ City: _____ State: _____ ZIP: _____

FOR USE BY NOTARY AND CLERK OF THE COURT, DEPUTY. The State of Texas and County of Travis:

Before me, the undersigned notary, on this day personally appeared: Daniel R. Castro

known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he/she/they executed the same for purposes and consideration therein expressed. Given under my hand and seal of office, on: 10/12/09

Notary Public, State of Texas or Clerk of the Court, Deputy

K. HAYWOOD, Notary Public, State of Texas or Clerk of the Court, Deputy

INFORMATION WHERE DOCUMENT SHOULD BE RETURNED
(to be completed by applicant)
In the spaces below, clearly print the name, address, city, state, and ZIP code where this document should be returned

Daniel R Castro
12401 Research Blvd
Bldg I, Suite 450
Austin TX 78759

Form of Identification provided: TXDL

EXHIBIT 2

Trademark Trial and Appeal Board Electronic Filing System. http://estta.uspto.gov

ESTTA Tracking number: ESTTA357112

Filing date: 09/07/2010

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Applicant	Daniel R. Castro
Application Serial Number	77984153-
Application Filing Date	03/20/2010
Mark	ENTREPRENEUR.OLOGY
Date of Publication	08/10/2010

First 90 Day Request for Extension of Time to Oppose for Good Cause

Pursuant to 37 C.F.R. Section 2.102, Entrepreneur Media, Inc., 2445 McCabe Way, Irvine, CA 92614, UNITED STATES, a corporation organized under the laws of California , respectfully requests that it be granted a 90-day extension of time in file a notice of opposition against the above-identified mark for cause shown .

Potential opposer believes that good cause is established for this request by:

- The potential opposer needs additional time to investigate the claim

The time within which to file a notice of opposition is set to expire on 09/06/2010. Entrepreneur Media, Inc. respectfully requests that the time period within which to file an opposition be extended until 12/05/2010.

Respectfully submitted,
/dlag/
09/07/2010
Deborah A. Gubernick
Latham & Watkins LLP
650 Town Center Drive, Suite 2000
Costa Mesa, CA 92626
UNITED STATES
lpdocket@lw.com
7146401235

EXHIBIT 3

Deborah A. Gubernick
Direct Dial: (714) 755-8250
dgubernick@lw.com

650 Town Center Drive, 10th Floor
Costa Mesa, California 92626-1925
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www.lw.com

LATHAM&WATKINS LLP

FIRM / AFFILIATE OFFICES
Abu Dhabi, Moscow, Munich, Beijing, New Jersey, Brussels, New York, Chicago, Orange County, Doha, Paris, Dubai, Riyadh, Frankfurt, Rome, Hamburg, San Diego, Hong Kong, San Francisco, Houston, Shanghai, London, Silicon Valley, Los Angeles, Singapore, Madrid, Tokyo, Milan, Washington, D.C.

File No. 027759-2358040

September 7, 2010

VIA FACSIMILE: 512-732-0115 AND U.S. MAIL

Daniel R. Castro
Castro & Baker, LLP
10509 Pointview Dr
Austin, TX 78738-5522

Re: Infringement of the ENTREPRENEUR Trademark

Dear Mr. Castro:

This firm represents Entrepreneur Media, Inc. ("Entrepreneur Media") in connection with its intellectual property enforcement matters. Entrepreneur Media is the owner of numerous trademark registrations for the mark ENTREPRENEUR®, as well as several other marks that include the "ENTREPRENEUR" term. Entrepreneur Media uses its ENTREPRENEUR trademarks in connection with various goods and services including its publication, *Entrepreneur* magazine, and corresponding web site at *entrepreneur.com*. Entrepreneur Media's publications and web site provide start-ups, small businesses, and small business owners with information and various business services regarding starting and operating a successful business. The ENTREPRENEUR® mark has become well-known and distinctive including within the small business industry. Indeed, a Federal Court recently ruled that "the mark ENTREPRENEUR is a strong, distinctive mark, deserving of significant protection," which ruling was upheld by the Ninth Circuit. *See* attached.

To protect these valuable rights, Entrepreneur Media has obtained federal trademark registrations for its ENTREPRENEUR® mark pursuant to Certificate of Registration Numbers 1,453,958, 2,263,883, 2,507,032, and 3,520,633 in International Classes 9, 16, 35, and 41. Entrepreneur Media also has common law rights in its ENTREPRENEUR® mark.

It has come to our attention that you filed a trademark application for the mark "ENTREPRENEUR.OLOGY" in connection with *conducting workshops and seminars in entrepreneurship* in Class 41, which has now published for opposition. We also understand that you own and operate the www.entrepreneurology.com domain name and website, which uses the mark.

EXHIBIT 4

LATHAM&WATKINS

Your application to register a mark that is nearly identical to Entrepreneur Media's ENTREPRENEUR® mark in connection with services that are nearly identical to Entrepreneur Media's services is likely to cause confusion, mistake, and/or deception regarding the source of the services. Accordingly, Entrepreneur Media hereby demands that you immediately withdraw your application to register the mark ENTREPRENEUROLOGY.

It also has come to our attention that you have registered the *entrepreneurology.com* domain name. Your unauthorized registration and use of a domain name encompassing Entrepreneur Media's famous trademark and trade name violates the Anticybersquatting Consumer Protection Act, which expressly creates liability for the bad faith registration of a domain name that is similar to another's mark, and constitutes trademark infringement, dilution, unfair competition, deceptive acts and practices, and misappropriation of the valuable goodwill, reputation, and business property of Entrepreneur Media, in violation of federal and state trademark and unfair competition laws. Accordingly, Entrepreneur Media hereby demands that you immediately cease and desist from further use of the entrepreneurology.com domain name, and that you transfer the domain name to Entrepreneur Media in accordance with the policies and procedures of the applicable Registrar. Entrepreneur Media also demands that you agree not to register additional domain names that contain the mark "ENTREPRENEUR."

Please confirm whether you intend to cooperate by ceasing all use of ENTREPRENEUR and of the *entrepreneurology.com* domain name, and by entering a written settlement agreement with Entrepreneur Media to that effect. If you fail to abide by these demands, Entrepreneur Media will have no choice but to take appropriate action to prevent continued use of an infringing mark and domain name. By providing you with this notice, we are hopeful that you can choose a new mark and domain name with as little disruption to your business as possible.

If you would like to discuss this matter, please give me a call. We look forward to receiving a response by September 21, 2010.

Very truly yours,

Deborah A. Gubernick
of LATHAM & WATKINS LLP

Enclosure

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Deborah A. Gubernick
Latham & Watkins LLP
650 Town Center Drive, Suite 2000
Costa Mesa, CA 92626

Mailed: September 7, 2010

Serial No.: 77964153
ESTTA TRACKING NO: ESTTA367112

The request to extend time to oppose is granted until 12/8/2010 on behalf of potential opposer Entrepreneur Media, Inc.

Please do not hesitate to contact the Trademark Trial and Appeal Board at (571)272-8500 if you have any questions relating to this extension.

Note from the Trademark Trial and Appeal Board

TTAB forms for electronic filing of extensions of time to oppose, notices of opposition, petition for cancellation, notice of ex parte appeal, and inter partes filings are now available at http://estta.uspto.gov. Images of TTAB proceeding files can be viewed using TTABVue at http://ttabvue.uspto.gov.

EXHIBIT 5

EXHIBIT – B

CASTRO'S RESPONSE TO
EMI's MOTION TO DISMISS

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

Daniel R. Castro	§	
Plaintiff	§	
	§	
	§	
v.	§	**CIVIL ACTION NO: 10CA695**
	§	
	§	
	§	
ENTREPRENEUR MEDIA, INC.	§	
Defendant	§	

CASTRO'S RESPONSE TO EMI'S PARTIAL MOTION
TO DISMISS "CONSTITUTIONALITY CLAIMS" UNDER RULE 12(b)(6)

Now Comes Plaintiff, Daniel R. Castro ("Castro") and files this Response to Entrepreneur Media Inc's ("EMI") Partial Motion to Dismiss Under Rule 12(b)(6) and would show unto the Court as follows. **NOTE:** This brief is intended to respond to the following sections of EMI's motion: **Section II. B.** (alleging that Castro has not stated a proper request for declaratory judgment that the "incontestable" provisions of the Lanham Act are unconstitutional "as applied"; and **Section II. C.** (alleging that Castro has not stated a proper request for declaratory judgment that EMI's mark is not "incontestable").

I. NATURE OF THE CASE

This is a trademark dispute. The plaintiff, Daniel R. Castro ("Castro") is the owner of three marks: (1) EntreproNeurology; (2) "Entrepreneur.Ology;" and (3) "EntrepreneurOlogy." Castro is an attorney who owns several companies, an award-winning author and speaker, and also operates a *passive* website at www.EntrepreneurOlogy.com. Castro does not publish a magazine. The Defendant, EMI, owns the mark "entrepreneur" and publishes a magazine and operates an *interactive* website at www.Entrepreneur.com. Castro filed this declaratory judgment action in response to a letter from EMI threatening a lawsuit if he did not "cease and

desist" from using the word "EntrepreneurOlogy" and ordering him to immediately turn over the title of his registered domain name: www.EntrepreneurOlogy.com. See Exhibit 1.

II. THE FACTS

Under the Rule 12(b)(6) standard, the court must assume the following facts as plead in Castro's First Amended Complaint are true, and interpret them in the light most favorable to Castro. *See Oppenheimer v. Prudential Sec.*, 94 F.3d 189, 194 (5th Cir. 1996). All of these facts can be found at para. 5.15 – 5.21; 7.5 – 7.25; 7.32 – 7.35 of First Amended Complaint.

(1) The word "entrepreneur" is a word of French origin that has existed in the public domain for hundreds of years. The Oxford English Dictionary defines "entrepreneur" as "one who undertakes an enterprise; one who owns and manages a business; a person who takes the risk of profit or loss." The Compact Oxford English Dictionary 522 (2d ed. 1991).

(2) Castro, and authors worldwide, have been using the word "entrepreneur" in their books and articles for hundreds of years, and should be allowed the freedom to continue doing so for eternity. Every day, the Wall Street Journal, the New York Times, Forbes Magazine and Fortune Magazine use some derivation of the word "entrepreneur" in their publications.

(3) EMI does not claim that the word "entrepreneur" is a "made-up" word or "fanciful" or "inherently distinct" under the Lanham Act.

(4) Nor can EMI show conclusive evidence that the mark "ENTREPENEUR" distinguishes its products and services from anyone else's products and services related to entrepreneurship.

(5) Nor can EMI show that consumers associate the word "ENTREPRENEUR" *exclusively* with its magazine.

(6) Castro has never made any reference to Defendant's magazine, and has never done anything to imply that his products or services have any affiliation with ENTREPRENEUR magazine, or are sponsored by ENTREPRENEUR magazine.

(7) Moreover, Castro does not market or sell a print or online magazine of any kind. He simply writes books and articles on the subject of entrepreneurs and entrepreneurship for free distribution in print magazines, business journals, websites and online e-zines, and provides keynote presentations, seminars, workshops and boot camps for entrepreneurs.

(8) Castro does not make a dime (nor does he attempt to) from the publication of these articles.

(9) EMI has a pattern and practice of threatening, intimidating and actually suing anyone who uses the word "entrepreneur" or any derivation of that word in its marketing materials. As such, EMI specifically intends to attempt to monopolize the market that provides magazines, books, articles, websites, blogs, trade shows, workshops, seminars, boot camps, and keynote presentations on the topic of entrepreneurs and entrepreneurship.

(10) EMI has sufficient market power in this market that there is a "dangerous probability" that it will succeed in monopolizing this market.

(11) EMI's conduct is harming competition in this market, not merely a specific competitor.

III. WHAT IS THE PURPOSE OF A DECLARATORY JUDGMENT ACTION?

Congress intended the declaratory judgment procedure to be utilized to test the constitutionality of statutes. *Steefel v. Thompson* 41 U.S. 452, 467 (1974). "The Act is remedial and is to be liberally construed to achieve its wholesome and salutary purpose." *Allstate Ins. Co.*

v. *Employers Liability Assurance Corp.*, 445 F.2d 1278, 1280 (5th Cir. 1971). Here, Castro is using it to test the constitutionality of the "incontestable" provisions of the Lanham Act, which have never been challenged before. As stated by the Supreme Court, the only question before this court at this time should be "whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment." *Id.* There is a "substantial controversy" if a judgment could serve a useful purpose of "clarifying and settling the legal relations in issue" and could "afford relief from uncertainty, insecurity, and controversy giving rise to the proceeding." *Terminal Freight Handling Co. v. Soltes*, 444 F.2d 699, 705 (8th Cir. 1971); *The New York Times Co. v. Gonzales*, 459 F.3d 160, 167 (2nd Cir. 2006)(declaratory judgment is proper where it will serve a useful purpose in clarifying or settling a dispute; where it will be the final judicial determination of the controversy; and whether it will offer relief from uncertainty). The relief sought by a declaratory judgment plaintiff is simple – a relief from uncertainty, and a declaration of its rights and responsibilities under the law as applied to the specific facts at issue. *Id.* Dismissing Castro's request for a declaration of rights on flimsy Rule 12(b)(6) grounds will certainly not settle the controversy. EMI has offered no legal reason why this court should not issue some sort of judgment clarifying and adjudicating the rights and responsibilities of both parties. All EMI has done is present arguments on the merits as to why the Court should not issue a declaration in Castro's favor. It is not proper for EMI to threaten to sue Castro and then ask the Court to throw out his declaratory judgment action when he comes into court seeking a declaration of the very rights that EMI threatened. Castro is entitled to "relief from uncertainty." In this case, Castro is not seeking financial gain. Nothing in the First Amended Complaint alleges financial harm. This is simply a righteous cause that requires vindication.

EMI also forgets that it is elementary that Castro is not required to win his case on the merits at this early juncture. *See Jones v. M.L. Greninger*, 188 F.3d 322, 324 (5th Cir. 1999)("The issue is not whether the plaintiff will ultimately prevail, but whether he is entitled to offer evidence to support his claim") *Id.* Under the Supreme Court's Rule 12(b)(6) standard, Castro need only submit enough statements of fact to show that his claim for relief is "plausible." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556 (2007); *Ashcroft v. Iqbal*, 129 S.Ct. 1937, 1949 (2009). In *Twombly*, the Supreme Court recognized that Rule 12(b)(6) must be read in conjunction with Rule 8(a), which requires a "short and plain statement of the claim showing that the pleader is entitled to relief." *Bell Atlantic Corp. v. Twombly*, 127 S.Ct. 1955, 1965-1966, n.5 (2007). The Rule 8(a)(2) standard states, "[s]pecific facts are not necessary; the [factual allegations] need only 'give the defendant fair notice of what the ... claim is and grounds upon which it rests.'" *See Johnson v. City of Houston*, 2010 U.S. DIST. LEXIS 103626 (S.D. Tex. 2010)(citing *Erickson v. Pardus*, 551 U.S. 89, 93 (2007)).

The Fifth Circuit has already held that the Declaratory Judgment Act is especially applicable in situations where the owner of intellectual property rights continues to send "bullying" letters threatening litigation, and the victim of those letters simply wants to know its rights. *Vantage Trailer, Inc. v. Beall Corporation*, 567 F.3d 745, 751 (5th Cir. 2009). With the power of the Declaratory Judgment Act, it is not necessary, or advisable, for the recipient of bullying letters to wait around to see if the owner of a trademark will actually sue. *Surefoot, LC v. Sure Foot Corporation*, 531 F.3d 1236, 1245 (10th Cir. 2008). Moreover, even though the party that would normally be the defendant has filed the declaratory judgment action, it is the party that owns the intellectual property in question that has the burden of proof to show infringement. *Under Sea Industries, Inc. v. Dacor Corp.*, 833 F.2d 1551, 1557 (Fed. Cir. 1987).

IV. THE PURPOSE AND HISTORY OF THE LANHAM ACT

In order for the court to determine whether Castro has stated "plausible claim" for which there is a legal remedy, it must understand basic trademark law and First Amendment law. Therefore, Castro requests the court's indulgence as he provides the essential hornbook law on both of these important topics. The first thing a law student learns in The Law of Trademarks is that the Lanham Act does not protect trademarks or the owners of those marks. It protects the public. It was designed to protect the public from confusion and deception about the source of specific goods and services. *See James Burrough Limited v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976)("The trademark laws exist not to protect trademarks, but, as above indicated, to protect the consuming public from confusion, concomitantly protecting the trademark owner's right to a non-confused public."). Congress determined that the only "marks" that would receive protection in the Lanham Act were marks that were capable of effectively identifying the maker of a specific good or service as the *single, exclusive source* of that good or service. *See Aloe Cream Labs v. Milson, Inc.*, 423 F.2d 845, 849 (5th Cir. 1970)(requiring proof that the consuming public associates the mark "with a single thing coming from a single source"); *Department of Parks & Recreation v. Bazaar Del Mundo, Inc.*, 448 F.3d 1118, 1128 (9th Cir. 2006)(holding that "the chief inquiry [for secondary meaning] is directed towards the consumer's attitude about the mark in question: does it denote to him a single thing coming from a single source"). In order for a mark to receive the protection of the Lanham Act, there must be an automatic, instinctive association in the minds of the consuming public that the mark designates a single, exclusive provider of the product or service (even if they can't identify the maker by name). *Id; see also Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366, 380 (7th Cir. 1976); General Motors Corp. v. Lanard Toys, Inc., 468 F.3d 405, 418 (6th Cir. 2006). Two Pesos v. Taco Cabana*, 505 U.S. 763, 768 (1992). If the mark in question is not capable of distinguishing a particular good or service as being provided by a single, exclusive source, it is

illegal to grant the owner of that mark a monopoly on the use of the word. *See Teflora, Inc. v. Florists Transworld Delivery Ass'n*, 217 U.S.P.Q.2d 1081, 1083 (TTAB 1981)("Because the term Easter basket is the common descriptive name for a bouquet in a basket for Easter, it cannot be a trademark subject to monopolization by FTD under the federal trademark laws or at common law.")

Moreover, granting anyone a monopoly on the use of a common word that is incapable of identifying a single, exclusive source of a particular good or service, violates both the First Amendment and Antitrust laws. *Homemakers Home and Health and Health Care Service, v. Chicago Home For the Friendless*, 484 F.2d 625, 628 (7th Cir. 1973)(finding that trademarking the word "homemakers," when there was no proof of secondary meaning, would grant an illegal monopoly on the use of a common noun and would be an infringement on Free Speech); *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 214 (2000)("*Competition is deterred*, not merely by a successful suit, but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not to be worth the candle."); *Peaceable Planet, Inc. v. Ty, Inc.*, 362 F.3d 986, 988 (7th Cir. 2004)("If the first firm to produce an all-bran cereal could obtain immediate protection, and thus prevent all other producers of all-bran cereal from describing their product as all-bran, it would be *difficult for competitors* to gain a foothold in the market. *They would be as if speechless.*")(emphasis added).

Humans have tried to brand their goods and services with a variety of "marks" over the last several thousand years. The body of trademark jurisprudence has put them into five categories, some of which are entitled to protection, some of which are not. *Two Pesos v. Taco Cabana*, 505 U.S. 763, 768 (1992)(1) fanciful or inherently distinct; (2) generic; (3) arbitrary; (4) descriptive; and (5) suggestive.

(1) **Those that are "inherently distinct," or "fanciful"** – such as Nike, Exxon, Kodak. *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996). These marks are typically words or designs that never existed before. *Id.* They were coined by the makers of certain products or services specifically to identify themselves as the single, exclusive providers of those services. Id. They serve the same historical purpose of the ancient Coat of Arms that barons used to identify themselves as the owners of certain castles, horses, cattle, knights and land. In Texas, cowboys used literal "brands" to identify themselves as the owners of certain horses and cattle. These marks are so unique and distinguishable that there can be no confusion about the source of the goods or services in question. The purpose of the Lanham Act is clearly served by granting protection to these marks. *Id.* The undisputed facts show that Castro's marks "EntrepreneurOlogy" and "Entrepreneur.Ology" are such marks.

(2) **Those that are generic:** On the opposite end of the spectrum are those marks that are "generic." A mark that is generic is legally incapable of identifying the provider of a good or service because the consuming public simply does not associate it with a single exclusive provider of any good or service. *See Hunt Master Inc. v. Crab House*, 240 F.3d 251, 255 (4th Cir. 2001); *H. Marvin Ginn Corp., International Ass'n of Fire Chiefs*, 728 F.2d 987 (Fed. Cir. 1986)("A generic term ... can never be registered as a trademark because such term is "merely descriptive within the meaning of 2(e)(1) and is incapable of acquiring *de jure* distinctiveness under 2(f)"). Examples of marks that started out serving the purposes of the Lanham Act but became generic due to popular use are: (1) thermos; (2) cellophane; (3) aspirin (4) yo-yo; (5) escalator; (6) cola; (7) murphy bed; and (9) pilates. *See Murphy Door Bd Co. v. Interior Sleep Sys.*, 874 F. 2d 95, 100 (2d Cir. 1989); *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, (7th Cir. 1965); *King-Seeley Thermos Co. v. Aladdin Industries*, 321 F.2d 577 (2d Cir. 1963); *Dixi Cola Labs v. Coca Cola Co.*, 117 F.2d 352 (4th Cir. 1941); DuPont Cellophane Co. v.

Waxed Products, 85 F.2d 75 (2d Cir. 1936); *Haughton Elevator C. v. Seeberger*, 85 U.S.P.Q. 80 (TTAB 1950); *Bayer Co. v. United Drug Co.*, 272 Fed. 505 (S.D.N.Y. 1921); *Pilates, Inc. v. Current Concepts, Inc.*, 120 F. Supp. 2d 286 (S.D. N.Y. 2000).

To determine whether a mark either *started out* as generic or became generic through common usage, courts typically look to whether there is a common dictionary definition of the term, how often the term is used in every day language - as shown by newspapers, websites, books and other print media. *See In re ReedElsevier Properties, Inc.*, 77 U.S.P.Q.2D 1649, 1653(2005)(finding LAWYER.COM to be generic). Castro has pled sufficient facts to show that the word "entrepreneur" has a common dictionary meaning, that it is of French origin, that it is several hundred years old, and that this common noun is used daily by many major newspapers and magazines. See para. 5.15-5.21 and para. 7.8 of First Amended Complaint.

The following magazine titles and website domains have been held to be generic because the title itself identified the type of information contained in the magazine or website. These are, therefore, not protected by the Lanham Act: *CBS Publishing Corp. v. St. Regis Publications*, 531 F.2d 11(2d Cir. 1975)(CONSUMER ELECTRONICS, generic for magazine about consumer electronics); *Reese Publishing Co. v. Hampton Int'l Communications*, 620 F.2d 7 (2d Cir. 1980) (VIDEO BUYER'S GUIDE, generic for a magazine that was a guide for buyers of videotapes); *Walker-Davis Publications v. Penton*, 509 F.Supp. 430 (E.D. Pa. 1981)(ENERGY MANAGEMENT, generic for magazine about energy management); In re Rodale, Inc. 80 U.S.P.Q.2d 1696 (TTAB 2006)(NUTRITION BULLETIN, generic for providing information about diet and health on a website); *In re 1800mattress.com, IP, LLC*, 586 F.3d 1359 (Fed. Cir. 2009)(MATTRESS.COM, generic for online retail store services in the field of mattresses, beds and bedding); *In re Hotels.com L.P.* 573 F3d 1300 (Fed. Cir. 2009)(HOTELS.COM, generic for providing information for others about temporary lodging, travel agency and services); *In re*

Reed Elsevier Properties, Inc. 482 F. 3d 1376 (Fed. Cir. 2007)(LAWYERS.COM, generic for online interactive database information exchange in the fields of law, legal news and legal services). How much more is ENTREPRENEUR generic for a magazine providing information about entrepreneurs and entrepreneurship to entrepreneurs. How much more is ENTREPRENEUR.COM generic for a website providing information about entrepreneurs and entrepreneurship to entrepreneurs? Clearly, Castro has pled sufficient facts under Rule 12(b)(6) and Rule 8(a)(2) to put EMI on notice that he intends to show that the noun "entrepreneur" is generic at trial.

(3) Those that are Arbitrary: These marks are typically common nouns that are not being used in their common, everyday form or purpose. Their use appears to be "arbitrary" because they are not related to the product or service being sold. *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178, 1183 (5th Cir. 1980) ("A word may be generic of some things and not of others: 'Ivory' is generic of elephant tusks but arbitrary as applied to soap."). The word "Apple" is generic when used to describe a fruit, but "arbitrary" when used to brand a computer. *See Peaceable Planet, Inc. v. TY, Inc.* 362 F.3d 986, 992 (7th Cir. 2004). EMI does not claim the word "entrepreneur" is protected because it is "arbitrarily" attached to a magazine about some unrelated subject matter. EMI cannot deny that Entrepreneur magazine is, and always has been, about entrepreneurs and entrepreneurship.

(4) Those that are Descriptive: These marks can consist of common, everyday words that actually describe the goods or services being offered. Because of the concern about giving anyone a monopoly on the use of a common noun or adjective, these marks are not protected unless the owner of the mark can prove that the mark has attained "secondary meaning" (something different from its ordinary dictionary definition), sometimes referred to as "acquired distinctiveness." See 15 U.S.C. 1052(e)(a trademark is not entitled to registration if - "when

used on or in connection with the goods of the applicant is merely descriptive"); *Investacorp, Inc. v. Arabian Investment Banking, Corp.*, 931 F.2d 1519, 1522 (11th Cir. 1991)("Because a descriptive service mark is not inherently distinctive, it may be protected only if it acquires a secondary meaning"); *Two Pesos v. Taco Cabana*, 112 S. Ct. 2753, 2757(1992)("Marks which are merely descriptive of a product are not inherently distinctive. When used to describe a product, they do not inherently identify a particular source, and hence cannot be protected").

The Fifth Circuit has explained that, "[M]arks that describe a product, 'do not inherently identify a particular source, and hence cannot be protected' unless they acquire distinctiveness through secondary meaning. Such secondary meaning is achieved when, 'in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.'" *Sugar Busters, LLC v. Brennan*, 177 F.3d 258, 268 (5th Cir. 1999). In short, if the noun serves to identify the types of goods and services being offered, instead of identifying the *single, exclusive source* of those goods, it does not serve the fundamental purpose of the Lanham Act, and is, therefore, not protected. Id. If a mark has not acquired secondary meaning, it is legally impossible for a competing similar or identical mark to cause confusion. *Perini Corp. v. Perini Construction, Inc.*, 915 F.2d 121, 125 (4th Cir. 1990)("If a mark has not acquired secondary meaning, the purchaser will not make an association with a particular producer and thus *will not be misled by an identical or similar mark*")(emphasis added).

The Seventh Circuit has recognized the First Amendment problems of granting anyone a monopoly on the use of a common word that is "merely descriptive," stating, "A descriptive mark is bad for two reasons: First, because it does not advise the public that the article comes form a single source; and second, that if so, since the word is descriptive of the goods, the protection of the word as a trademark would be an *infringement upon common speech*, which in

the use of the word, likewise is descriptive." *E.F. Drew & Co., v. Pan Industries, Inc.*, 299 F.2d 777, 779 (7th Cir. 1962); see also *Homemakers Home and Health and Health Care Service, v. Chicago Home For the Friendless*, 484 F.2d 625, 628 (7th Cir. 1973)(finding that trademarking the word "homemakers," when there was no proof of secondary meaning, would grant an illegal monopoly on the use of a common noun and would be an infringement on Free Speech).

Judge Posner put it best when he said:

> If a generic word could be trademarked by the producer of one brand of the product denoted by the word, and thus (upon proof of likely confusion) barred its use by producers of competing brands, the producer who trademarked it would have a *competitive advantage* that bore no relation to the relative efficiency. Competitors would have difficulty informing consumer that they *were competitors*, because they would be unable, without elaborate and possibly confusing paraphrase, to give the name of the product they were selling. *Door Systems, Inc. Pro Line Door Systems*, 83 F.3d 169, 171 (7th Cir. 1996)("emphasis added).

The Fifth Circuit is equally committed to engaging in First Amendment analysis where trademarks are concerned, stating, "[T]his court has already been committed to exercising sensitivity for First Amendment interests where trademark violations are asserted." *Westchester Media v. PRL USA Holdings, Inc.* 214 F.3d 658, 672 (5th Cir. 2000).

Similarly, the Seventh Circuit has held, "Moreover, monopoly rights in a single common word, as opposed to combinations of different words, involve a much more substantial infringement upon common speech." *Homemakers Home and Health and Health Care Service, v. Chicago Home For the Friendless*, 484 F.2d 625, 628 (7th Cir. 1973).

There is a great deal of confusion and inconsistent rulings among courts over whether a mark is "generic" or "descriptive." *See In re Merrill Lynch, Pierce, Fenner and Smith, Inc*, 828 F.2d 1567, 1569 (Fed. Cir. 1987)("Whether a term is classified as 'generic' or as 'merely descriptive' is not easy to discern when the term sits at the fuzzy boundary between these classifications"). The legal distinction between the two is huge. A generic mark is legally *incapable of ever*

attaining "secondary meaning" and can never be protected. *See In re Reed*, 77 U.S.P.Q 2d 1658, (TTAB 2005)(holding that because LAWYERS.COM was generic it was not possible for it to attain the status of "acquired distinction"), *aff'd* 482 F. 3d 1376 (Fed. Cir. 2007); *Investacorp v. Arabian Investment Banking Corp.*, 931 F.2d 1519, 1522 (11th Cir. 1991)("A generic term is typically incapable of achieving service mark protection because it has no distinctiveness"); *Boston Beer Co. v. The Boston Beer Co.*, 9 F.3d 175, 180 (1st Cir. 1993)("At one end of the spectrum there are generic terms that have passed into common usage to identify a product, such as aspirin, and can never be protected."). This principle of law is firm - despite the fact that the owner may have spent $17 million and thirty years trying to market, advertise and brand the generic term. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 119 (1938)("shredded wheat" will always be "shredded wheat"). Likewise, an "entrepreneur" will always, and only, be an "entrepreneur."

A descriptive mark can also lose its protection if it *becomes generic* over time through common every day usage, especially if *the owner of the mark itself* uses it in its common, ordinary, everyday sense. *See Ty, Inc. v. Jones Group, Inc.* 98 F. Supp. 2d 988, 994 (N.D. Ill. 2000); *Loglan Institute v. The Logical Language Group, Inc.*, 962 F.2d 1038, 1041 (Fed. Cir. 1992); *DuPont Cellophane Co., Inc. v. Waxed Prods. Co., Inc.*, 85 F.2d 75, 80 (2d Cir. 1936); *800 Spirits, Inc. v. Liquor By Wire, Inc.*, 14 F. Supp. 2d 675, 679 (D.N.J. 1998); *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 906-07 (9th Cir. 1995); *Bitscher Electro Med. Sys., Inc. v. Beacon Labs., Inc.*, 738 F. Supp. 417 (D. Colo. 1990); *Turtle Wax, Inc. v. Blue Coral, Inc.*, 1987 TTAB LEXIS 75, 2 U.S.P.Q.2D (BNA) 1534 (T.T.A.B. 1987). When the word becomes generic, it is subject to cancellation. *Id; see also*, 15 USC 1064(c). EMI cannot deny that it uses the noun "entrepreneur" (and derivations thereof), in its

ordinary, common sense, in its own articles in its magazine and website - and has done so for many years; in fact, from the very beginning.

(5) **Those that are Suggestive:** These are typically used to "suggest" a particular quality of the product or service without describing it per se. Examples include: (1) Playboy – to suggest a certain lifestyle. *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996); (2) Penguin on an air-conditioner to suggest "coolness" of temperature, *Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters*, 280 F.3d 619, 636 (6th Cir. 2002). EMI does not claim that its mark is protected because it is "suggestive."

V. HOW DOES A "MARK" GET REGISTERED AS A TRADEMARK?

In a well-known dissenting opinion, Supreme Court Justice Stevens criticized the inner workings of the Patent and Trademark Office as a hallmark of inefficiency, misfiled or totally missing documents, inconsistent rulings, and loopholes. *See Park 'N Fly v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 212 – 213. There are also many strategic practice manuals that explain how to get a mark registered as a trademark that would not ordinarily survive scrutiny. *See* McCarthy *on Trademark and Unfair Competition*, Section 19:7 (current edition). The Trademark Trial and Appeal Board ("TTAB") itself has expressed great concern over the inconsistent decisions made by the thousands of Examining Attorneys who are the "foot-soldiers" in the trenches daily "examining" and processing the trademark applications.[1] *See In re Rodale, Inc.* 80 U.S.P.Q. 2D 1696, 1700 (2006); *In re Lighthouse, Inc.*, 82 U.S.P.Q. 2d 1471 (TTAB 2007); *In re Software Publisher Ass'n*, 2003 TTAB LEXIS 167 (TTAB 2003).

On the Patent &Trademark Office's website, it takes about 10 minutes to submit the very short application for a registered trademark. It is so easy that any lay person can do it. When the

[1] The TTAB is the administrative law court that hears appeals whenever an Examining Attorney denies a trademark application. TTAB rulings are binding unless they are overturned on appeal by a federal district court. TTAB rulings are typically reported in the U.S. Patent Quarterly. See e.g., __ USPQ2d ___. TTAB rulings are entitled to "great weight" because these courts are specialized trademark courts and have a great deal of expertise in trademark law. *See Murphy Door Bed Co. v. Interior Sleep Systems, Inc.*, 874 F.2d 95, 101 (2nd Cir. 1989)

application is submitted, an Examining Attorney is assigned to the case and the case is given a serial number. There are thousands of Examining Attorneys all over the U.S. with varying degrees of experience, education and expertise. The Examining Attorney assigned to the case is the "gatekeeper" who decides what marks get published for comment and opposition and which ones finally attain the status of a "registered" trademark. If the mark is "generic," the Examining Attorney is required to reject the mark under 15 U.S.C. 1052 (e). If the mark is "descriptive," the Examining Attorney can either reject the application or suggest that the applicant submit proof that the mark has obtained "secondary meaning" (or "acquired distinctiveness"). The burden of proving that a common descriptive word has acquired secondary meaning is "substantial" and requires a "high degree of proof." *See Test Masters Educational Services, Inc. v. Singh*, 428 F.3d 559, 567 (5th Cir. 2005). After examining the evidence, it is up to the Examining Attorney's discretion as to whether to allow the mark to be published for comment and opposition and whether the mark finally becomes protected under the Lanham Act. If it is "protectable," the mark receives an official Registration Number and the owner is sent a very official-looking document as shown in Exhibit 2. If the mark is rejected, the applicant can appeal to the TTAB.

It is very common to have inconsistent decisions by various Examining Attorneys on applications with very similar facts. *See e.g. In re Lighthouse, Incl.* 82 U.S.P.Q. 2D 1471 (TTAB 2007); *In re Rodale, Inc.*, 80 U.S.P.Q. 2d 1696, 1700 (TTAB 2006); *In re Software Publishers Ass'n*, 2003 TTAB LEXIS 167 (TTAB 2003). Because of this problem, it is well-settled law that the decision of one Examining Attorney on an application with similar facts is not binding on another Examining Attorney, and it is especially not binding on the TTAB or any court. *In re Nett Designs, Inc.*, 236 F.3d 1339, 1342 (Fed. Cir. 2001).

VI. HOW DID EMI OBTAIN A TRADEMARK ON A COMMON NOUN THAT HAD BEEN IN THE PUBLIC DOMAIN

FOR APPROXIMATELY 300 YEARS?

EMI failed to inform the court that it has never been required to prove to the U.S. Patent & Trademark Office or any federal court that the consuming public automatically associates the word "entrepreneur" with the publisher of a particular magazine or website. EMI does not claim that this common noun is "inherently distinct" (like Bexon, Nike or Kodak).[2] EMI also does not claim that the word is a "made-up" word that it coined. How then did EMI obtain a registered trademark on this word?

EMI took advantage of a loophole in the Lanham Act. The original Examining Attorney rejected EMI's application because it was a common noun and was "merely descriptive" of EMI's products and services in violation of 15 U.S.C. 1052 (e). See Exhibit 3 (Notifying EMI that, "Registration is refused on the Principal Register because the mark, when applied to the goods, is considered to be merely descriptive thereof"). The Examining Attorney suggested that EMI attempt to prove that the mark had obtained "secondary meaning" under Section 2 (f). *Id.* As an alternative, the Examining Attorney mentioned that EMI could take advantage of Trademark Rule 2.41(b), which allows the owner of a previously registered "same mark" to piggy back on that previous mark. 37 CFR 2.41(b). *Id.* This is the loophole that EMI took advantage of. As a result, EMI has never been required to submit any evidence (to any federal agency or judicial body) that the consuming public had come to associate the word "entrepreneur" with the publisher of a magazine.

As it turns out, the former owner of the mark "entrepreneur" was a company called Chase Revel, Inc. (founded by a gentleman named Chase Revel). With no rhyme or reason or explanation, Chase Revel had obtained a trademark registration for the mark "entrepreneur" back

[2] An application under Section 2(f) is an admission that the mark is not "inherently distinct." *See In re Reed Elsevier Properties, Inc.*, 77 U.S.P.Q 2D 1649, 1651 (TTAB 2005); *Yamaha International Corp. v. Hoshino Gakki Co.*, 840 F.2d 1571 (Fed. Cir. 1988). The attached Registration No. 1,453,968 shows very clearly that EMI's mark was granted under Section 2(f). See Exhibit 4.

on January 19, 1982 (Registration No. 1,187,239). According to the PTO website archives, the entire history of how Mr. Revel obtained this mark *has been destroyed* and is no longer available for review or analysis. See Exhibit 5. Thus, it is unclear whether the Examining Attorney who handled that file was asleep at the wheel or whether Mr. Revel ever submitted any proof of "acquired distinction" or "secondary meaning" or whether that proof (if any) was even persuasive.

Nevertheless, because EMI had acquired the rights to that first trademark (Registration No. 1,187,239), Rule 2.41(b) allowed it to submit nothing more than an affidavit claiming ownership of that previous mark and a statement of continued and exclusive use for five years. EMI submitted that affidavit on January 13, 1986. See Exhibit 6. Presto, the Examining Attorney approved the publication of the mark and allowed the official registration of the mark, giving it the Registration No. 1,453,968, without any actual evidence of "secondary meaning" or "acquired distinctiveness." See Exhibit 4. It is elementary that in a Rule 12(b)(6) motion, the court is entitled to take judicial notice of documents in the public record. *See Johnson v. City of Houston*, 2010 U.S. DIST. LEXIS 103626 (S.D. Tex. 2010)(citing *R2 Invs., LDC. v. Phillips*, 401 F.3d 638, 640, n.2 (5th Cir. 2005)).

Years later, EMI took advantage of two other sections of the Lanham Act that also do not require any proof that the mark has obtained "acquired distinction" or "secondary meaning." Those sections are 15 USC 1065; and 1115(b). Under those provisions, the owner of a mark can obtain so-called "incontestable" status by merely submitting an affidavit claiming continued, exclusive use of the mark in commerce for five years from the date of registration. Id. EMI submitted that affidavit on September 17, 1992. See Exhibit 7. This Section of the Lanham Act has been severely criticized because of the very fact that it does not require proof that the public associates that mark with a specific, exclusive provider of a particular good or service, and to

avoid confusion. *See Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 210, 213, 214 (1985)(J. Stevens, dissenting). That problem has never been more demonstrated than by the facts of the case before this court.

In the congressional hearings over the concern about granting monopoly privileges in "merely descriptive" words, Dr. Karl Pohl testified that "incontestability" could be harmonized with Antitrust Law because no mark could become "incontestable" unless its owner had already submitted sufficient evidence of "secondary meaning" to get past the Examining Attorney "gatekeeper" in the first place. *See Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 210, 211 (1985). Justice Stevens disagreed vehemently, and identified the inefficiencies and problems that existed in the trademark office and the practice manuals that explained exactly how easy it was to get past these gatekeepers. *Id.* at 213, 214.

In this case, there is error upon error because there is no evidence *anywhere* that EMI (or its predecessor) has ever proved that a common, 300-year-old noun invented by the French, and which is used in its common, ordinary sense hundreds of times a day in such print journals as Forbes, the Wall Street Journal and the New York Times, has ever obtained "acquired distinction" or "secondary meaning." The entire history from Registration No. 1,187,239 (the "prior mark") has been mysteriously destroyed. See Exhibit 5. The history *from the current* Registration No. 1,453,968 shows clearly that the mark was granted protection under Rule 2.41(b) solely because EMI was allowed to piggy-back on the prior registration without satisfying any of the requirements of proving "acquired distinction" or "secondary meaning." See Exhibits 3-5 (jointly).

EMI has been taking advantage of this arbitrary, illogical result ever since. In *EMI v. Smith*, the court held that, because the mark had attained "incontestable" status, the defendant Scott Smith could not submit any evidence that the noun "entrepreneur" lacked any distinction or

secondary meaning. *See Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1142 (9th Cir. 2002). Thus, once again, EMI was able to escape the noose. The problem was - Smith's lawyers never challenged the constitutionality of the "incontestable" provisions of the Lanham Act on Free Speech grounds. Therefore, with no reason to NOT apply the law, the court blindly applied it and found in favor of EMI.

Smith also did not try to invalidate the trademark on the basis that the word "entrepreneur" was generic and not legally capable of designating a single, exclusive source of the goods or services at issue. No evidence or arguments were submitted to the court on the issue of "genericness" and neither the lower court nor the Ninth Circuit considered any. The only issue before the Ninth Circuit was whether the trial court had properly granted summary judgment in EMI's favor. It is established law that whether a mark is generic is a question of fact. *See Bath & Body Works, Inc. v. Luzier*, 76 F.3d 743, 748 (6th Cir. 1996). If either of the two parties had presented the court with evidence on this issue, the court would certainly have discussed it. But there were no facts in evidence (in favor of either party) at the trial court level, on the issue of "genericness." Therefore, the trial court, in granting summary judgment did not make a specific ruling on the issue of genericness. See Order granting Summary Judgment in favor of EMI, attached as Exhibit 8. On appeal from the order granting summary judgment, the Ninth Circuit had no evidence or facts in the record on the issue of "genericness" to rely on. Nor did the Court analyze the fact that the word was a 300-year-old French noun that has been around long before EMI or Chase Revel ever existed. However, for some bizarre reason, in a footnote which is dicta by definition, the Ninth Circuit did mention that it thought the word was not generic. *Id.* at 1141, n.2. In *Smith*, the Court did not conduct any legal analysis or attempt to apply the well-established test for determining "genericness" in support of this comment. The Court also did not analyze whether the noun was legally capable of serving to identify any single, exclusive

source of goods or services - as required by law. *Two Pesos*, at 2757. In that same footnote, the Ninth Circuit actually cited a Second Circuit ruling that was in conflict the Ninth's Circuit's footnote on the issue of - when is the title of a magazine generic? *See CES Publishing Corp. v. St. Regis Publishing Inc.*, 531 F.2d 11, 13 (2nd Cir. 1975)(holding that "Consumer Electronics" as the name of a magazine about "consumer electronics" for *consumers of electronics* is generic). The difference is that the Second Circuit's ruling on "genericness" was an actual "holding" on a valid issue that was actually before the court. It is elementary that the Ninth Circuit's footnote does not constitute a ruling or a holding by the court. In the main body of its opinion, the Ninth Circuit *did hold*, however, that "EMI cannot have the exclusive right to use the word 'entrepreneur' in any mark identifying a printed publication addressing subjects related to entrepreneurship." *Smith*, 279 F.3d at 1143. Thus, the footnote, which is dicta, is in conflict with the actual holding of the court.

Nevertheless, EMI has attempted to pull the wool over this court's eyes by representing it as the holding of the court. The average consumer does not know what the difference between "dicta" and an actual holding of the court. EMI has also used this ill-founded footnote repeatedly by citing it in hundreds of threatening letters sent to persons who are innocently using the word "entrepreneur" (or some derivation thereof) to market their goods and services. The average consumer does not know what constitutes a valid trademark, much less whether one is truly "incontestable." Therefore, most of these innocent victims simply roll over and gave EMI what it wants – no competition.

VII. WHY ARE THE "INCONTESTABLE" PROVISIONS OF THE LANHAM ACT UNCONSTITUTIONAL?

It is unclear whether EMI made a mistake or whether it intentionally attempted to deceive the Court, but in its Motion to Dismiss, EMI actually states that Castro wants a declaration that the *entire* Lanham Act is unconstitutional. See heading of Section B, at page 2 of EMI's Motion.

Castro made it very clear in his complaint that there are *only two small provisions* of the Lanham Act that are unconstitutional "as applied" to the facts of this case.[3] See para. 7.1 – 7.9 of First Amended Complaint. Section 1065 is the statute that allows a trademark to become "incontestable" without a showing that the mark ever had or continues to have "secondary meaning," or that it continues to serve the public good by designating a single, exclusive source of the goods or services at issue. Section 1115(b) is the section that prohibits the defendant in an infringement action from submitting evidence that the mark lacks "secondary meaning" or that consumers simply do not associate that mark with a single, exclusive provider of the goods or services at issue.

EMI's motion to dismiss this claim cannot be taken seriously because it was based on its belief that Castro was seeking to invalidate the entire Lanham Act. Castro agrees that the First Amendment does not protect all speech (i.e. fraudulent speech, or speech that is intended to deceive or confuse). However, if the facts are to be taken as true, as they must, none of that kind of prohibited speech is at issue here. At present, the undisputed facts show that Castro has never attempted to use the mark Entrepreneur.Ology or EntrepreneurOlogy to deceive or confuse the public, or to imply that they had the sponsorship of or affiliation with Entrepreneur magazine. See para. 5.19; and 7.40 of First Amended Complaint. Castro has simply used them to designate himself as the single, exclusive provider of his own unique *literary* goods and *literary* services (which do not include a magazine or an interactive website). The undisputed facts also show that Castro's two marks are "inherently distinct" words coined by Castro himself, which are very different from EMI's common, every day "generic" noun. As such, they are not legally capable of causing confusion. *See Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 139-40 (1905)(holding that the defendant's name and trademark "were not intended or likely to

[3] In order to narrow the issues, on this same date, Castro has filed a Notice of Dismissal voluntarily dismissing his "facial" constitutional challenge of these two sections and will proceed only with his "as applied" challenge.

deceive" because the defendant used the hyphenated name "Remington-Sholes Company" in a way "that "clearly differentiated" its products from the plaintiff's brand "Remington Standard Typewriter Company"); *Brown Chemical Co. v. Meyer*, 139 U.S. 540, 544-45 ("Not only do defendants' bottles differ in size and shape from those of the plaintiff, but their labels and cartons are so dissimilar in color, design and detail that no intelligent person would be likely to purchase either under the impression that he was purchasing the other").

What confuses the consuming public is when they receive a letter from Latham & Watkins threatening a lawsuit for using the word "entrepreneur" in the operation of their business. See Exhibit 1. The average citizen would not understand that they are free to use the word in some ways, but not in others. This has a definite "chilling effect" on free speech. Indeed most, if not all, of the innocent victims that have received EMI's "cease and desist" letters have simply caved in for inability to fight the very expensive legal battle with a corporate giant.

On page 3 of its Motion, EMI says "Castro is free to make fair use of the word ....." in a few select contexts.[4] This demonstrates that EMI has made itself the self-appointed gatekeeper of who can and can't use the word "entrepreneur" and how and in what context. The Fifth Circuit has expressed great concern about allowing a trademark owner to appoint itself the "gatekeeper" of a common noun, and dictate who can and can't use that common noun that the gatekeeper did not create, and when, how and in what context. *See Westchester Media Company v. PRL USA Holdings*, 214 F.3d 658, 673 (5th Cir. 2000)("Second, and also unique to this case, is PRL's claim to police use of the "Polo" mark by the publisher of USPA's official magazine"). Similarly, the Fourth Circuit has stated, "It is important that trademarks not be 'transformed from rights against

[4] This statement is a judicial admission that Castro is at least entitled to a judicial declaration by this court that he can use the word "entrepreneur" in a literary context. This brings some "relief from uncertainty" but not enough. It is a shame that EMI forced an average consumer to file this action and take up the court's time simply to obtain a judicial declaration of that very basic right. EMI's motion has proved the opposite of what it set out to prove. EMI has conceded that Castro is entitled to the relief he seeks regarding the literary use of the word "entrepreneur." See para. 7.29 of the First Amended Complaint. Castro is, therefore, entitled to a judicial declaration in his favor on that particular cause of action. See para. 7.29 of First Amended Complaint.

unfair competition to rights to control language.'" *CPC International v. Skippy Incorporated*, 214 F.3d 456, 462 (4th Cir. 2000)(quoting Stanford Law Professor, Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 Yale L.J. 1687, 1710-11 (1999). "The Constitution will not tolerate such a wholesale suppression of free speech." *Id.* The public should not be required to get EMI's approval every time it wishes to utter the word "entrepreneur." *Id.*

Castro was forced to file this declaratory judgment action because he is currently writing a book called ANATOMY OF THE ENTREPRENEUR'S BRAIN, and because he gives many keynote presentations on the topic of entrepreneurship, and writes many articles on entrepreneurship. Castro's markets those *literary* goods and *literary* services under the names "Entrepreneur.Ology" and "EntrepreneurOlogy." Upon reading EMI's threatening letter claiming to have exclusive rights to use the noun "entrepreneur," any reasonable citizen would have valid concerns about when, where and how it can use that word. EMI is using its trademark far beyond any purpose ever created by Congress. EMI has become the *illegal* gatekeeper for the use of that noun. There is nothing in the attached Latham & Watkins threatening letter that says, "By the way, it's ok to keep using the word 'entrepreneur' in your speeches, articles, books and workshops, and it's ok to use that word to describe your goods and services." See Exhibit 1. The average consumer cannot afford to hire a lawyer who specializes in trademark law to file a full blown lawsuit simply to get EMI to say when, where and how they can use that noun. EMI certainly knows this. The as-of-yet undisputed facts which must be taken as true, show that it has engaged in a deliberate pattern and practice of sending these threatening letters to many innocent victims over the years. What average citizen is capable of standing up to a corporate giant represented by Latham & Watkins, especially when the letter says the mark is "incontestable" and that the Ninth Circuit upheld it. What non-lawyer can argue with that?

Even most non-trademark lawyers would have *no* reason to suspect that Latham & Watkins had overstated the facts and the law, and would certainly not think to challenge the unconstitutional provisions of the Lanham Act on Free Speech grounds.

VIII. ELEMENTARY FREE SPEECH ANALYSIS

The first thing the court should keep in mind is that if it finds that the word is "generic," it can avoid the entire First Amendment analysis because EMI's trademark will be cancelled, and Castro's right to Free Speech will no longer be at risk of suppression by EMI. 15 U.S.C. 1064(c), and 1119(authorizing the court to cancel a trademark that is generic).

The second thing the court should keep in mind is that the burden is on the party trying to uphold the constitutionality of the statute at issue, not on the party challenging it. *See Bolger v. Youngs Drug Products Corp.*, 463 U.S. 60, 70 (1983)("The party seeking to uphold a restriction on commercial speech carries the burden of justifying it."); and *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 480 (1989).

EMI is using the "incontestable" provisions of the Lanham Act to regulate the use of a very specific word. Under the "strict scrutiny" test, EMI must show that the restriction at issue is: (1) designed to further a "compelling" governmental interest; (2) that it is "narrowly tailored" to achieve that compelling interest; and (3) that it uses the "least restrictive" means to further that interest.[5] *United States v. Playboy Entertainment Group*, 529 U.S. 803 (2000). The First Amendment protects not only the speaker, but also the right of the listener to hear and read the words. *See Virginia St. Board of Pharmacy v. Virginia Citizens Consumer Council*, 425 U.S. 748, 757 (1975).

[5] "Intermediate scrutiny" analysis only adds one additional test, which is, "Is the speech at issue protected by the First Amendment in the first place?" *See Central Hudson*, 447 U.S. at 566. This test is designed to weed out commercial speech that is inherently obscene or inherently deceptive. Here, the speech at issue, even if deemed to be purely commercial, is not "inherently deceptive" and, therefore, has the *full protection* of the First Amendment.

EMI argues that the speech at issue here is not Castro's right to call himself an entrepreneur, or to write articles and books about entrepreneurship, and give speeches and hold workshops about entrepreneurship, but rather his right to brand himself, his book, articles, keynote speeches and workshops under the marks "EntrepreneurOlogy" or "Entrepreneur.Ology."

This is an improper argument on the merits because it raises a very complex issue of whether the speech being restricted is "commercial" or "non-commercial" in nature. Regulations restricting non-commercial speech receive "strict scrutiny" analysis. *See Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 475-485 (1989). Regulations that restrict purely commercial speech receive "intermediate scrutiny" analysis. *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447, U.S. 557 (1980). The Supreme Court itself acknowledges that the line between "commercial" and "non-commercial" speech is often blurry. Id. at 581, n. 4. Even the Supreme Court justices themselves cannot agree on what is and what is not "commercial speech." Id (three judges concurring and one dissenting).

Despite the fogginess over the conceptual differences, the U.S. Supreme Court agrees that speech by professional speakers, authors and journalists is *non-commercial* speech, and is, therefore, entitled to the full protection of the First Amendment. *See Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557, 580, n. 2 ("Little purpose would be served by a first amendment which failed to protect newspapers, paid public speakers, political candidates with partially-economic motives and professional authors.'"). With this statement, the Supreme Court confirmed that "partially-economic motives" do not transform non-commercial speech into purely free speech. It would be illogical to conclude that branding those artistic and literary endeavors under a trademark suddenly transforms Castro's trademarks into purely "commercial speech."

To make things easier on the lower courts, the Supreme Court has decided that when the literary, artistic, and commercial aspects of the speech at issue appear to be "inextricably intertwined," the regulation at issue is still to receive "strict scrutiny" analysis. *See Riley v. National Federation of Blind, Inc.*, 487 U.S. 781, 796, (1988)("Thus where, as here, the component parts of a single speech are 'inextricably intertwined,' we cannot parcel out the speech, applying one test to one phrase and another test to another phrase. Such an endeavor would be both artificial and impractical").

Castro submits that, in accordance with *Central Hudson Gas & Electric*, his trademarks at issue here are purely literary and artistic because they are being used to brand purely "literary" and "artistic" speech. Economic motive is not the determining factor. The Supreme Court has ruled that, "The mere fact that these pamphlets are conceded to be advertisements clearly does not compel the conclusion that they are commercial speech. Similarly, the reference to a specific product does not by itself render the pamphlets commercial speech." *Bolger v. Youngs Drug Products*, 463 U.S. 60, 66 (1983). The Court also made it clear that having an economic motive alone, "would clearly be insufficient by itself to turn the materials into commercial speech." *Id.* at 67. However, even if this court finds that the two aspects of the speech appear to be inextricably intertwined, this court is required to apply strict scrutiny analysis. *Riley*, 487 U.S. at 796.

Moreover, EMI forgets that even purely "commercial speech" is entitled to First Amendment protection. *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council*, 425 U.S. 748, 759 ("speech does not lose its First Amendment protection because money is spent to project it .... speech likewise is protected even though it is carried in a form that is sold for profit."). It is true that the First Amendment does not protect commercial speech that is deliberately deceptive, false or misleading. *Id.* at 771. But the undisputed facts, which must be

taken as true, show that this type of speech is not at issue here. Even if the speech at issue here were purely commercial, regulations that have the effect of suppressing honest, truthful, non-deceptive, non-coercive speech are still subject to "strict scrutiny" analysis. *See Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557, 578 ("We have not suggested that the 'commonsense differences' between commercial speech and other speech justify relaxed scrutiny of restraints that suppress truthful, non-deceptive, non-coercive commercial speech."). In other words, regulations that suppress honest, truthful speech (even if it is commercial speech) have always, and still do, receive "strict scrutiny" analysis. Id.

The Fifth Circuit has already ruled that any law, even in a purely commercial speech case, that has the effect of limiting the use of a common noun that is *not inherently deceptive* is an unconstitutional violation of the First Amendment. *See Pizzo's Seafood World, v. Odom*, 448 F.3d 744, 753 (5th Cir. 2006)(finding that the state's interest in preventing deception in commercial speech was not furthered by a regulation that limited the commercial use of common nouns ["Cajun Boy" and "Cajun Delight"] that were not inherently deceptive.)

Section 1065 and 1115(b) fail "strict scrutiny" analysis for the following reasons.[6] The regulations: (1) are NOT designed to further a "compelling" governmental interest because they protect a common noun that has never been shown to designate the single, exclusive provider of a magazine; This is antithetical to the very purpose of the Lanham Act, not in furtherance of it; (2) are NOT "narrowly tailored" to achieve that compelling interest because it has the effect of suppressing the honest, non-deceptive use of a common noun; and (3) do NOT use the "least restrictive" means to further that interest because Congress could easily have required that the owner of the mark show tangible proof that it had attained "secondary meaning" as a condition of obtaining "incontestable" status. *See Park 'N Fly*, 469 U.S. at 219 (J. Stevens

[6] They also fail "intermediate scrutiny" for the same reasons.

dissenting)(Congress could "simply require the owner of a merely descriptive mark to prove secondary meaning before obtaining any benefit from incontestability").

(1) NOT DESIGNED TO FURTHER A COMPELLING GOVERNMENTAL INTEREST.

Sections 1065 and 1115(b) are not designed to further a legitimate governmental interest for the following reasons. First, the net result of giving the mark "entrepreneur" incontestable status is that it suppresses the right of the average citizen to use that word to identify their goods and services in an honest, non-deceptive manner. *See Central Hudson*, 447 U.S. at 578; *In re MJ*, 4445 U.S. at 199. Second, it illegally makes EMI the gatekeeper and allows it to dictate who can and can't use that word and in what context. No legitimate government interest can be furthered by allowing a rogue dictator to dictate the use of a common noun. Third, EMI obtained a registered trademark on a common noun without ever having to prove the public automatically associates it with the publisher of a particular magazine. Fourth, EMI obtained "incontestable" status for its trademark without ever having to prove the public automatically associates it with the publisher of a particular magazine. Fifth, if both of those sections are applied here, it will prohibit Castro from submitting evidence that the noun does not have "secondary meaning" and is not entitled to protection.

The Lanham Act is very specific in prohibiting the registration of trademarks that are "merely descriptive" of the goods and services unless and until they have acquired "secondary meaning." See 15 U.S.C. 1052(e)(f). The purpose of the Lanham Act is not furthered at all by allowing a common noun to achieve "incontestable" status without a showing that the public automatically associates that noun with the publisher of a particular magazine. It is also antithetical to the purpose of the Lanham Act to prohibit the introduction of evidence at trial that that noun lacks "secondary meaning." To prohibit the introduction of evidence that the mark lacks "secondary meaning" is not only inconsistent with the purpose of the Lanham Act, but it

also results in the restriction of speech Congress never intended to restrict (i.e. the public's honest, non-deceptive use of that same noun to identify goods and services). At least one Supreme Court Judge agrees, stating: "First to permit one person to appropriate exclusively a mark which is merely the ordinary language to describe the good or services involved would obviously be detrimental to others who deal in the same good or services by *hindering their use of normal language* in association with their goods or services." *Park 'N Fly v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 215 (Justice Stevens, dissenting)(quoting from the Patent & Trademark Office's own handbook)(emphasis added).

The Supreme Court in *Park 'N Fly* dealt with whether the defendant in an infringement action could submit evidence and arguments that the words "Park 'N Fly" were "merely descriptive" of the services being offered, and therefore, not protected by the Lanham Act. The majority recognized the problems caused by the "incontestable" sections of the Lanham Act in question, but because no one had challenged their constitutionality on First Amendment grounds, the majority took the easy way out, stating, "Our responsibility, however, is not to evaluate the wisdom of the legislative determinations reflected in the statute, but instead to construe and apply the provisions that Congress enacted." *Id.* at 203. The Court interpreted Sections 1065 and 1115(b) literally and upheld the lower court's decision to prohibit the defendant from defending the infringement action on the ground that the words were "merely descriptive" and had not achieved "secondary meaning."

The dissent, however, cleared a broad path for anyone who was willing to challenge those two sections on First Amendment grounds. First, Justice Stevens pointed out that the owner of that mark had never actually submitted any evidence to the Patent and Trademark Office that its mark had acquired "secondary meaning" or that it was anything more than a phrase that described the service in question (airport parking) *Id.* Justice Stevens could have easily been

describing EMI's posture in this case. Second, Justice Stevens pointed out that it does not further the interests of the Lanham Act to give "incontestable" status to a mark that should not have been granted a registered trademark in the first place, stating: "The problem in this case arises because of petitioner's attempt to enforce as 'incontestable' a mark that Congress has plainly stated is inherently unregistrable." *Park 'N Fly Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 206 (1985). Justice Stevens also stated, "*No legislative purpose* is served by granting anyone a monopoly in the use of such a mark" (emphasis added). *Id.* Justice Stevens clearly saw that the "incontestable" provisions of the Lanham Act could never survive a "strict scrutiny" analysis under the First Amendment because those two provisions were not designed to further a compelling governmental interest, and were not narrowly tailored to achieve that interest.[7]

Further showing that these two sections would fail "strict scrutiny" analysis, Justice Stevens pointed out that the term "incontestable" is not even defined in the Act, and that the Committee Reports on the bill creating these provisions did not even attempt to explain how it furthered the purpose of the Lanham Act. *Id.* at 668. Justice Stevens stated, "No one ever suggested that *any public purpose* would be served by granting incontestable status to a mark that should never have been accepted for registration in the first instance." *Id.* at 669 (emphasis added).

Justice Stevens also pointed out that the blind application of these two provisions to prohibit the introduction of evidence that the mark lacks "secondary meaning" was not rational: "But if no proof of secondary meaning is ever presented, either to the Patent and Trademark Office or to a court, *there is simply no rational basis* for leaping to the conclusion that the passage of time has transformed an inherently defective mark into an incontestable one" (emphasis added). Justice Stevens also pointed out: "Congress enacted the Lanham Act 'to secure trademark

[7] Judge Stevens did not specifically address the First Amendment because that issue was not before the court. But his recognition that the "incontestable" provisions could serve "no legitimate purpose" indicate he was using "strict scrutiny" analysis.

owners in the goodwill which they have built up.' But without a showing of secondary meaning, there is no basis upon which to conclude that petitioner has built up any goodwill that is secured by the mark." *Id.* at 599-600. Thus, the "incontestable" provisions of the Lanham Act fail the first test.

(2) NOT "NARROWLY TAILORED"

A prohibition that sweeps within its ambit both protected and unprotected speech can be held unconstitutional on that ground alone. *Ashcroft v. Free Speech Coalition*, 535 U.S. 234, 259 (2002)("The argument, in essence, is that protected speech may be banned as a means to ban unprotected speech. This analysis turns the First Amendment upside down. The Government may not suppress lawful speech as the means to suppress unlawful speech."); and *Board of Trustees of the State University of New York v. Fox*, 492 U.S. 469, 482-83 ("Where an overbreadth attack is successful, the state is obviously *invalid in all its applications*, since every person to whom it is applied can defend on the basis of the same overbreadth")(emphasis added).

The Supreme Court has held that, where commercial speech is concerned, "Truthful advertising related to lawful activities is entitled to the protections of the First Amendment." *In re R.M.J.* 455 U.S. 191, 199 (1982)(holding that truthful advertising that is not "inherently misleading" cannot be restricted). Thus, even if the court were to find that the speech at issue here is "purely commercial," the marks EntrepreneurOlogy and Entrepreneur.Ology are not "inherently deceptive." As such, they are entitled to the full (not limited) protection of the First Amendment.

The "incontestable" provisions of the Lanham Act are clearly not "narrowly tailored" to achieve the government's compelling interest because it "does not provide adequate protection for truthful, non-misleading, non-coercive commercial speech." *Central Hudson* 477 U.S. at 573 (J. Stevens, dissenting). If the application of the statute is "overly broad," then by definition, it is

not "narrowly tailored" to achieve the government's stated objective. Id. Thus, the "incontestable" provisions of the Lanham Act fail the second test.

(3) NOT THE "LEAST RESTRICTIVE" MEANS

Justice Stevens recommended that the law should be changed to "simply require the owner of a merely descriptive mark to prove secondary meaning before obtaining any benefit from incontestability." *Park 'N Fly*, 469 U.S. at 219. Thus, he sets forth a far "less restrictive" way to achieve the government's stated objective. The "incontestable" provisions of the Lanham Act fail the third test. Congress could use some guidence from this court on how to create a less restrictive regulation. Castro has clearly pled enough facts under Rule 12(b)(6) and Rule 8(a)(2) to put EMI on notice that he intends to show at trial that the "incontestable" provisions of the Lanham Act are unconstitutional.

IX. WHY IS EMI's MARK NOT "INCONTESTABLE"

EMI also requests the court to dismiss Castro's claim, which asks the court to declare that its mark "entrepreneur" is not "incontestable." However, EMI does not argue that Castro has pled insufficient facts as under the 12(b)(6) standard. Instead, EMI simply argues that its mark *really is* "incontestable" because the Ninth Circuit said so. Because this is an argument on the merits, the 12(b)(6) motion can be denied on this basis alone. The problem with EMI's reliance on the Ninth Circuit is that that in *EMI v. Smith*, the defendant never argued that he was the "senior user" of his own trademark – as Castro does here. See para. 7.12 – 7.17 of First Amended Complaint. The Ninth Circuit, therefore, never had occasion to analyze and interpret 15 USC 1115(b)(6) and 1065 and apply them to a situation where the defendant *truly* is the "senior user" of the mark in question. It is irrelevant that EMI may be the "senior user" of its own mark. The question here is - who is the "senior user" as to Castro's marks? EMI admits that Castro is. Therefore, EMI does not have "incontestable" status as to Castro's marks. Nor can EMI claim

"incontestable" status as to the entire literary world of books, articles, keynote speeches, seminars and workshops. *See In re Merrill Lynch, Pierce, Fenner and Smith, Inc.* 828 F.2d 1567, 1568 (Fed. Cir. 1987); 259 F.3d 1346, 1353 (Fed. Cir. 2001); *Jeld-Wen, Inc. v. Delco Industries*, 1999 U.S. App. LEXIS 29548 at *5 (8th Cir. 1999). Even the Ninth Circuit held that "EMI cannot have the exclusive right to use the word 'entrepreneur' in any mark identifying a printed publication addressing subjects related to entrepreneurship." *EMI v. Smith*, 279 F.3d at 1143. Thus, Castro has pled sufficient facts to put EMI on notice how he intends to prove that its mark is not "incontestable" at trial.[8]

The second reason EMI's reliance on the Ninth Circuit is misplaced is because the issue of whether EMI's mark was "generic" was not even before the court. Smith never presented the court with evidence of "genericness" and the court did not consider any. EMI does not dispute that its mark can be cancelled at any time on the ground that it is generic. 15 USC 1064(c). Castro has pled sufficient facts to show why EMI's mark should cancelled for being generic. See para. 5.13 – 5.18; 7.5; 7.5 – 7.25; 7.32 – 7.35 of First Amended Complaint.

X. CONCLUSION

Clearly this is a cause whose time has come. Neither the Supreme Court, nor the Ninth Circuit, in *EMI v. Smith*, had an opportunity to rule on the constitutionality of the "incontestable" provisions of the Lanham Act. This court does. It would be a travesty to dismiss Castro's claims on the flimsy grounds that he has not stated a claim for relief that can be granted. At least one Supreme Court judge thinks it can and should be granted. Castro has clearly stated a recognized claim for which a lawful remedy exists.

[8] The Lanham Act sets forth nine different reasons why a mark can be held to not be "incontestable." See 15 U.S.C 1115(b)(1-9). Castro set forth the other reasons why the mark "entrepreneur" is not "incontestable" in his completed and addresses them in his seperately filed brief.

If this court wishes to avoid ruling on the constitutionality of the "incontestable" provisions of the Lanham Act, it can do so by simply finding that the common noun "entrepreneur" is generic, and therefore, not entitled to trademark protection. Castro has pled sufficient facts to put EMI on notice of why this noun is "generic."

WHEREFORE, for all the foregoing reasons, Castro respectfully requests that the Rule 12(b)(6) motion be denied.

Respectfully Submitted,
CASTRO & BAKER, LLP

By: Daniel R. Castro

Daniel R. Castro
State Bar No. 03997390
7800 Shoal Creek Blvd.
Suite 100N
Austin, Texas 78757
(b)(6)

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of this pleading was filed with the Clerk of the Court using CM/ECF system, which will send a notification of a Notice of Electronic Filing to the following counsel of record on December 15, 2010:

	William G. Barber Pirkey Barber, LLP 600 Congress Avenue, Suite 2120 Austin, Texas 78701

Daniel R. Castro

EXHIBIT 1

AFFIDAVIT OF AUTHENTICATION OF BUSINESS RECORDS

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Mr. Daniel R. Castro, who being by me first duly sworn upon his oath deposed and stated as follows:

My name is Daniel R. Castro. I am over the age of 21 and am of sound mind and am capable of making this affidavit. I have personal knowledge of the facts stated below, and every statement is true and correct.

I am the custodian of records of the law offices of Castro & Baker, LLP.

Attached hereto is a true and correct copy of a letter dated September 7, 2010 addressed to Daniel R. Castro, which I personally received from the law firm of Latham & Watkins, LLP.

This copy was made by me and kept by me or someone at my direction in the regular course of business. It was the regular course of business for an employee, or representative of this law firm with knowledge of the acts, events, conditions, opinions recorded to make the record or to transmit information thereof, to be included in such record; and the record was made at or near the time or reasonably soon thereafter. The copy attached hereto is an exact duplicate of the original.

FURTHER AFFIANT SAYETH NOT.

Daniel R. Castro

Daniel R. Castro

SUBSCRIBED AND SWORN TO BEFORE ME the undersigned authority on this 15th day of December 2010.

Lisa C. Gant

Notary Public, State of Texas

LISA C. GANT
Notary Public, State of Texas
My Commission Expires
March 28, 2014

Deborah A. Gubernick
Direct Dial: (714) 755-8290
deborah.gubernick@lw.com

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Houston Shanghai
London Silicon Valley
Los Angeles Singapore
Madrid Tokyo
Milan Washington, D.C.

September 7, 2010

VIA FACSIMILE: 512-732-0115 AND U.S. MAIL

Daniel R. Castro
Castro & Baker, LLP
10509 Pointeview Dr
Austin, TX 78738-5522

File No. 027758-0010

Re: Infringement of the ENTREPRENEUR Trademark

Dear Mr. Castro:

This firm represents Entrepreneur Media, Inc. ("Entrepreneur Media") in connection with its intellectual property enforcement matters. Entrepreneur Media is the owner of numerous trademark registrations for the mark **ENTREPRENEUR**®, as well as several other marks that include the "ENTREPRENEUR" term. Entrepreneur Media uses its **ENTREPRENEUR** trademarks in connection with various goods and services including its publication, *Entrepreneur* magazine, and corresponding web site at *entrepreneur.com*. Entrepreneur Media's publications and web site provide start-ups, small businesses, and small business owners with information and various business services regarding starting and operating a successful business. The **ENTREPRENEUR**® mark has become well-known and distinctive including within the small business industry. Indeed, a Federal Court recently ruled that "the mark ENTREPRENEUR is a strong, distinctive mark, deserving of significant protection," which ruling was upheld by the Ninth Circuit. *See* attached.

To protect these valuable rights, Entrepreneur Media has obtained federal trademark registrations for its **ENTREPRENEUR**® mark pursuant to Certificate of Registration Numbers 1,453,968, 2,263,883, 2,502,032, and 3,520,633 in International Classes 9, 16, 35, and 41. Entrepreneur Media also has common law rights in its **ENTREPRENEUR**® mark.

It has come to our attention that you filed a trademark application for the mark "ENTREPRENEUR.OLOGY" in connection with *conducting workshops and seminars in entrepreneurship* in Class 41, which has now published for opposition. We also understand that you own and operate the www.entrepreneurology.com domain name and website, which uses the mark.

EXHIBIT 1

LATHAM&WATKINS LLP

Your application to register a mark that is nearly identical to Entrepreneur Media's ENTREPRENEUR® mark in connection with services that are nearly identical to Entrepreneur Media's services is likely to cause confusion, mistake, and/or deception regarding the source of the services. Accordingly, Entrepreneur Media hereby demands that you immediately withdraw your application to register the mark ENTREPRENEUR.OLOGY.

It also has come to our attention that you have registered the *entrepreneurology.com* domain name. Your unauthorized registration and use of a domain name encompassing Entrepreneur Media's famous trademark and trade name violates the Anticybersquatting Consumer Protection Act, which expressly creates liability for the bad faith registration of a domain name that is similar to another's mark, and constitutes trademark infringement, dilution, unfair competition, deceptive acts and practices, and misappropriation of the valuable goodwill, reputation, and business property of Entrepreneur Media, in violation of federal and state trademark and unfair competition laws. Accordingly, Entrepreneur Media hereby demands that you immediately cease and desist from further use of the entrepreneurology.com domain name, and that you transfer the domain name to Entrepreneur Media in accordance with the policies and procedures of the applicable Registrar. Entrepreneur Media also demands that you agree not to register additional domain names that contain the mark "ENTREPRENEUR."

Please confirm whether you intend to cooperate by ceasing all use of ENTREPRENEUR and of the *entrepreneurology.com* domain name, and by entering a written settlement agreement with Entrepreneur Media to that effect. If you fail to abide by these demands, Entrepreneur Media will have no choice but to take appropriate action to prevent continued use of an infringing mark and domain name. By providing you with this notice, we are hopeful that you can choose a new mark and domain name with as little disruption to your business as possible.

If you would like to discuss this matter, please give me a call. We look forward to receiving a response by September 21, 2010.

Very truly yours,

Deborah A. Gubernick
of LATHAM & WATKINS LLP

Enclosure

EXHIBIT 2

AFFIDAVIT OF DANIEL R. CASTRO

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Mr. Daniel R. Castro, who being by me first duly sworn upon his oath deposed and stated as follows:

My name is Daniel R. Castro. I am over the age of 21 and am of sound mind and am capable of making this affidavit. I have personal knowledge of the facts stated below, and every statement is true and correct.

Exhibits 2 through 7 attached hereto are exact duplicates of the originals that can be found in the public record of the U.S. Patent & Trademark Office. I personally went to the website of the U.S. Patent & Trademark Office and downloaded and printed the files.

A request for certified copies of these documents has been made to the U.S. Patent & Trademark Office, but the documents have not yet arrived. When they arrive, the undersigned will file a motion to substitute exhibits.

FURTHER AFFIANT SAYETH NOT:

Daniel R. Castro

SUBSCRIBED AND SWORN TO BEFORE ME the undersigned authority on this _____ day of December 2010.

Notary Public, State of Texas

Int. Cl.: 41

Prior U.S. Cls.: 100, 101 and 107

United States Patent and Trademark Office

Reg. No. 3,663,282
Registered Aug. 4, 2009

SERVICE MARK
PRINCIPAL REGISTER

EntrepreNeurology

CASTRO, DANIEL R. (UNITED STATES INDIVIDUAL)
BUILDING I, SUITE 450
12401 RESEARCH BLVD
AUSTIN, TX 78759

FOR: CONDUCTING WORKSHOPS AND SEMINARS IN INNOVATION AND STRATEGIC PLANNING, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 1-7-2009; IN COMMERCE 1-7-2009.

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

SER. NO. 77-651,410, FILED 1-16-2009.

NICHOLAS COLEMAN, EXAMINING ATTORNEY

U.S. DEPARTMENT OF COMMERCE - Patent and Trademark Office

IN REPLY REFER TO THE FOLLOWING AND THE FILING DATE:

SERIAL NO.	APPLICANT	Paper No.
73/537579	ENTREPRENEUR, INC.	ADDRESS: Commissioner of Patents and Trademarks Washington, DC 20231
MARK	ENTREPRENEUR	
ADDRESS	HENRY BISSELL 6820 LA TIJERA BOULEVARD LOS ANGELES, CALIFORNIA 90045	ACTION NO. 01 MAILING DATE 07/09/85 The address of all correspondence act containing fee payments should include the word "Box 9."

FORM PTO-1525 (3-84) U.S. DEPT. OF COMM. PAT. & TM OFFICE

Also furnish: (1) Serial number of application, (2) The mark, (3) Examining Attorney's name and Law Office number, (4) Mailing date of this notice, and (5) Applicant's name (or applicant's attorney), telephone number and zip code.

A PROPER RESPONSE TO THIS OFFICE ACTION MUST BE RECEIVED WITHIN 6 MONTHS FROM THE DATE OF THIS ACTION IN ORDER TO AVOID ABANDONMENT.

So that I can consider the registrability of the mark (37 CFR Section 2.61(b); TMEP sections 1103.08 and 1105.02), please submit advertisement.

Two applications are pending for the registration of marks which so resemble the mark in this application as to be likely, as used in connection with the goods (and/or services), to cause confusion, or to cause mistake, or to deceive. Since the filing date of this application is subsequent to the filing dates of the other pending applications, the latter, if and when they mature into registrations, will be cited against this application. (37 CFR Section 2.83.) Photocopies of the drawings from the pending applications, Serial Nos. 532159; 507868, are attached. (P 720-57)

Condense the International Class 9 merchandise clause to reflect "Computer Programs for use in business applications" Class 9.

As respect Class 16, amend to reflect the similar description in your Regn. 1,107,235, i.e., "Magazines, books and published reports pertaining to business opportunities."

Per Rule 2.36, claim ownership also of Regs. 1,223,304; 1,130,838; 1,167,254, all formerly owned by Chase Revel, Inc.

Registration is refused on the Principal Register because the mark, when

EXHIBIT 3

applied to the goods, is considered to be merely descriptive thereof. (Section 2(e)(1) of the Trademark Act, 15 U.S.C. 1052(e)(1); TMEP section 1207.)

Any mark is evaluated in association or context with the identified merchandise. 3, R. Callman, Unfair Competition, Trademarks & Monopolies, 112 Sec. 11.1 (3rd Ed., 1969). In the absence of any Sec. 2(f) prima facie claim of secondary meaning or acquired distinctiveness pursuant to Rule of Practice 2.41, see Sec. 23 of Act (15 U.S.C. 1091); Rule of Practice 2.87 as a possible remedy.

S.E. - Legal status and express admission of mere descriptiveness VIS-A-VIS Entrepreneur and Reg. 1,187,238, in conjunction with the prominent disclaimer of Entrepreneur in Reg. 1,223,362. See, Quaker State Oil Refining Corporation v. Quaker Oil Corporation, 172 USPQ 361 (CCPA, 1972); Glamorene Products Corporation v. Boyle-Midway, Inc., 188 USPQ 145 (DC, SD, NY, 1975); In re Texas Instruments, Inc., 193 USPQ 678, 679 (TTAB, 1976); In re Amtel, Inc., 195 USPQ 56, 60 (TTAB 1975). Applicant's computer programs and publication products highlight and pertain directly to the activities and aspirations of the individual business entrepreneur.

[Other than as indicated above] According to my search of the office registration records, there is no registered mark which so resembles the applicant's mark, when applied to the goods (or services), as to be likely to cause confusion, or to cause mistake, or to deceive. [15 U.S.C. 1052(d); TMEP section 1105.01.]

G.T.D:cmc2

G. T. Dyer
Trademark Attorney
Law Offices III
(Dw6)
Ser. No. 507969

NOV 9 1984

507969

Applicant: Strategic Management Group, Inc.
3624 Market Street
University City
Philadelphia, PA 19104

Goods: COMPUTER SOFTWARE

First Use: July, 1984

9
38

4
3

MAIL ROOM APR 16 1985 PATENT & TRADEMARK OFFICE

INT. CL. 9
PRIOR U.S. CL. 38

532159

Harvard Associates, Incorporated
50 Beacon Street
Somerville, MA 02143

First use anywhere: March 28, 1985
First use in commerce: March 28, 1985

Goods: Computer software and documentation.

ENTREPRENEUR

Int. Cl.: 16

Prior U.S. Cl.: 38

Reg. No. 1,187,239

Registered Jan. 19, 1982

United States Patent and Trademark Office

TRADEMARK
Supplemental Register

ENTREPRENEUR

Chase Revel, Inc. (California corporation)
631 Wilshire Blvd.
Santa Monica, Calif. 90401

For: MAGAZINES, BOOKS AND REPORTS PERTAINING TO BUSINESS OPPORTUNITIES, in CLASS 16 (U.S. Cl. 38).
First use May 2, 1978; in commerce May 2, 1978.

Ser. No. 223,003, filed P.R. Jul. 12, 1979; Am. S.R. Nov. 20, 1981.

BRIAN ANDERSON, Primary Examiner

Delete most of claim for record

applicant owns.

Int. Cl.: 16

Prior U.S. Cl.: 38

Reg. No. 1,223,364

Registered Jan. 11, 1983

United States Patent and Trademark Office

TRADEMARK
Principal Register

File Motel Retain

ENTREPRENEUR INSIDERS NEWSLETTER

Chase Revel, Inc. (California corporation)
631 Wilshire Blvd.
Santa Monica, Calif. 90401

For: PRINTED PUBLICATIONS—NAMELY, NEWSLETTERS, BOOKS, REPORTS AND BROCHURES PERTAINING TO BUSINESS OPPORTUNITIES, in CLASS 16 (U.S. Cl. 38).

First use Aug. 23, 1979; in commerce Aug. 23, 1979.

Owner of U.S. Reg. Nos. 1,130,838 and 1,187,218.

No claim is made to exclusive use of the words "Entrepreneurs" and "Newsletter" apart from the mark as shown in the drawing. Applicant does not waive any of its common law rights with respect thereto.

Ser. No. 231,127, filed Sep. 13, 1979.

J. H. WEBB, Examining Attorney

Int. Cl.: 16

U.S. Cl.: 38

Reg. No. 1,130,838

Reg. Feb. 12, 1980

U.S. Patent and Trademark Office

TRADEMARK
Principal Register

INTERNATIONAL ENTREPRENEURS' ASSOCIATION

Chase Revel, Inc. (California corporation) d/b/a International Entrepreneurs' Association
1401 5th St.
Santa Monica, Calif. 90401

For: Publications and Periodical Reports—Namely, Newsletters, Brochures, Catalogs, Business Reports and Magazines —in Class 16 (U.S. Cl. 38).

First use Aug. 30, 1976; in commerce Aug. 30, 1976.

The word "Association" is disclaimed apart from the mark as shown.

Ser. No. 123,885, filed Apr. 30, 1979.

RICHARD STRASER, Examiner

JOHN C. DEMOS, Primary Examiner

Cl.: 16

U.S. Cl.: 38

ited States Patent and Trademark Office

Reg. No. 1,167,253

Registered Sep. 1, 1981

TRADEMARK
Principal Register

AMERICAN ENTREPRENEURS ASSOCIATION

Chase Revel, Inc. (California corporation)
631 Wilshire Blvd.
Santa Monica, Calif. 90401

For: PUBLICATIONS AND PERIODICAL REPORTS—NAMELY, NEWSLETTERS, BROCHURES, CATALOGS, BUSINESS REPORTS AND MAGAZINES, in CLASS 16 (U.S. Cl. 38).
First use Jul. 1, 1979; in commerce Jul. 1, 1979.
Owner of U.S. Reg. No. 1,130,834.
The word "Association" is disclaimed apart from the mark as shown.

Ser. No. 130,189, filed Sep. 11, 1979.

HENRY S. ZAK, Primary Examiner

U.S. DEPARTMENT OF COMMERCE - Patent and Trademark Office

IN REPLY REFER TO THE FOLLOWING AND THE FILING DATE:

SERIAL NO.	APPLICANT	Paper No.
73/537579	ENTREPRENEUR, INC.	
MARK		ADDRESS: Commissioner of Patents and Trademarks Washington, DC 20231
ENTREPRENEUR		
ADDRESS	ACTION NO.	
HENRY BISSELL 6626 LA TIJERA BOULEVARD LOS ANGELES, CALIFORNIA 90045	MAILING DATE 02/07/86	The address of all correspondence not containing fee payments should include the word "Box 5."

FORM PTO-1005 (2-84) U.S. DEPT. OF COMM. PAT. & TM OFFICE

Also furnish: (1) Serial number of application, (2) The mark, (3) Examining Attorney's name and Law Office number, (4) Mailing date of this action, and (5) Applicant's name (or applicant's attorney), telephone number and zip code.

A PROPER RESPONSE TO THIS OFFICE ACTION MUST BE RECEIVED WITHIN 6 MONTHS FROM THE DATE OF THIS ACTION IN ORDER TO AVOID ABANDONMENT.

Responsive to the communication received January 13, 1986.

With respect to the statutory response and the earlier filed Ser. 532159 and Ser. 507969, a January 31, 1986 computerized check reflects suspended status for 532159, and current opposition proceeding status #72057 for 507969.

N.B. - Section 2(e)(1) issue was inserted against both classes, 9 and 16, as was further communicated to applicant's attorney via telecon immediately after the issuance of the July 9, 1985 Office action. Applicant has the requisite, prima facie Sec. 2(f) claim only for the Cl. 16 goods based upon usage of five years and more at the time of filing Ser. 537579. Applicant has not presented a prima facie Section 2(f) claim for the Cl. 9 goods due to the mere two years use at the time of filing Ser. 537579. Thus, Section 2(e)(1) issue is continued within the record for Cl. 9 goods, and the Section 2(f) claim has been accepted for Cl. 16 goods.

Properly amend the Cl. 9 and 16 product clauses. Specifically, as respect Cl. 16, delete "text documentation for computer software". "Computer Program Manuals", when sold separately, fall into Int. Cl. 16. The usual commercial product item names must be substituted, in lieu of documentation. Delete Cl. 9 description and substitute one or more of the belowmentioned, acceptable product descriptions: "Computer Programs for use in business applications", Cl. 9; "Computer Programs and Program Manuals for use in business applications all sold as a unit", Cl. 9.

Upon receipt of a further appropriate amendment, Ser. 537579 will be reviewed in due course. All other previous requirements, except for those specifically cited, have been satisfied.

G. T. Glynn
Trademark Attorney
Law Office III
(202)
Ser. No. 537579

GTG:hrs

U.S. DEPARTMENT OF COMMERCE - Patent and Trademark Office

IN REPLY REFER TO THE FOLLOWING AND THE FILING DATE:

SERIAL NO.	APPLICANT	
73/537579	ENTREPRENEUR, INC.	
MARK		
ENTREPRENEUR		
ADDRESS		ACTION NO.
HENRY BISSIEL 4820 LA TIJERA BOULEVARD LOS ANGELES, CALIFORNIA 90045		03
		MAILING DATE 09/08/86
FORM PTO-1324 (8-84)	U.S. DEPT. OF COMMERCE PAT. & TM OFFICE	

Paper No.

ADDRESS:
Commissioner of Patents and Trademarks
Washington, DC 20231

The address of all correspondence not containing fee payments should include the word "Box 5."

Also furnish: (1) Serial number of application, (2) The mark, (3) Examining Attorney's name and Law Office number, (4) Mailing date of this action, and (5) Applicant's name (or applicant's attorney), telephone number and zip code.

A PROPER RESPONSE TO THIS OFFICE ACTION MUST BE RECEIVED WITHIN 6 MONTHS FROM THE DATE OF THIS ACTION IN ORDER TO AVOID ABANDONMENT.

Responsive to communication received August 12, 1986.

Serial No. 532,159 is still a pending case per a 9/4/86 computerized check. Serial No. 507,569 has been abandoned per a 9/4/86 computerized check.

Applicant's Class 9 product clause is erroneous. As was expressed to applicant in the 2/7/86 action and subsequent 3/3/86 telcon, the preferred proper description should reflect, "Computer Programs and Program Used Manuals All Sold As A Unit." The specific objection to documentation in our law office rests with the distinct possibility of advertising being subsumed under a broad, indefinite term, such as, documentation. The Class 16 description is acceptable. Amendatory action is required.

Applicant's comments relative to the Section 2(e)(1) issue appear to be paradox. Specifically applicant owns a "Supplemental Register" mark, i.e., 1,187,239 for the identical mark, which is an evidentiary admission of its merely descriptive nature. Quaker State Oil Refining Corporation v. Quaker Oil Corporation, 172 USPQ 351 (CCPA 1962); Ajax Hardware Corporation v. Packaging Techniques, Inc., 182 USPQ 559 (DC, Calif. 1974)). Applicant's prima facie, Section 2(f) claim in this case for the identical mark in Class 16 is an evidentiary admission of mere descriptiveness. Applicant then argues suddenly that for Class 9 software program merchandise specifically tailored for the individual business entrepreneur's usage that Entrepreneur is inherently distinctive. The undersigned, examining attorney does not accept this proposition. Enclosed is Exhibit (A-1),

which readily displays the enormous notoriety of entrepreneur and entrepreneurship in the current business marketplace scene. Applicant's Class 9 software program merchandise quickly and materially assists the business entrepreneur to achieve entrepreneurial success in their chosen market or field by quickly providing critical information in the accepted procedures to become an entrepreneur via proper market intelligence, budgetary and planning, and operational cost-cutting techniques. Section 2(e)(1) issue is continued in the record.

Upon receipt of a further appropriate amendment, this case will be reviewed vis-a-vis Serial No. 532,159 and applicant's forthcoming secondary meaning claim for the mark in Class 9 by virtue of separate evidentiary criteria well outlined in Rule 2.41.

GTO/lr

G. T. Glynn
Trademark Attorney
Law Office III
(b)(6)
Serial No. 537579

EXHIBIT 4

Int. Cls.: 9 and 16

Prior U.S. Cl.: 38

United States Patent and Trademark Office

Reg. No. 1,453,968
Registered Aug. 25, 1987

TRADEMARK
PRINCIPAL REGISTER

ENTREPRENEUR

ENTREPRENEUR, INC. (CALIFORNIA CORPORATION)
2311 PONTIUS AVENUE
LOS ANGELES, CA 90064

FOR: COMPUTER PROGRAMS AND PROGRAMS USER MANUALS ALL SOLD AS A UNIT, IN CLASS 9 (U.S. CL. 38).
FIRST USE 5-19-1983; IN COMMERCE 5-19-1983.
FOR: PAPER GOODS AND PRINTED MATTER, NAMELY MAGAZINES, BOOKS AND PUBLISHED REPORTS PERTAINING TO BUSINESS OPPORTUNITIES, IN CLASS 16 (U.S. CL. 38).
FIRST USE 5-2-1978; IN COMMERCE 5-2-1978.
OWNER OF U.S. REG. NOS. 1,130,838, 1,223,354 AND OTHERS.
SEC. 2(F) ONLY AS TO CLASS 16 GOODS.
SER. NO. 381,579, FILED 5-16-1985.

G. T. OLYNN, EXAMINING ATTORNEY

EXHIBIT 5

Thank you for your request. Here are the latest results from the TARR web server.

This page was generated by the TARR system on 2010-12-13 21:29:07 ET

Serial Number: 73223093 Assignment Information Trademark Document Retrieval

Registration Number: 1187239

Mark (words only): ENTREPREMEUR

Standard Character claim: No

Current Status: Registration cancelled under Section 8.

Date of Status: 1988-09-10

Filing Date: 1979-07-12

Transformed into a National Application: No

Registration Date: 1982-03-19

Register: Supplemental

Law Office Assigned: (NOT AVAILABLE)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TicketingTM@uspto.gov (NOT AVAILABLE)

Current Location: 001 -File Destroyed

Date in Location: 1994-06-07

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Chase Revel, Inc.

Address:
Chase Revel, Inc.
631 Wilshire Blvd.
Santa Monica, CA 90401
United States
Legal Entity Type: Corporation
State or Country of Incorporation: California

GOODS AND/OR SERVICES

International Class: 016
Class Status: Section 8 - Cancelled
Magazines, Books and Reports Pertaining to Business Opportunities
Basis: 1(a)
First Use Date: 1978-05-02
First Use in Commerce Date: 1978-05-02

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any documents referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

1988-09-10 - Cancelled Section 8 (6-year)

1982-03-19 - Registered - Supplemental Register

ATTORNEY/CORRESPONDENT INFORMATION

Attorney of Record
Henry M. Bissell

Correspondent
Henry M. Bissell
Suite 105
6820 Lindero Blvd.
Los Angeles CA 90045

EXHIBIT 6

MAIL ROOM JAN 13 1986 U.S. PATENT AND TRADEMARK OFFICE

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant	: Entrepreneur, Inc.	Law Office	: XII
Serial No.	: 537,579	TM Attorney	: C.T. Glynn
Filed	: May 14, 1985		
For	: Trademark: ENTREPRENEUR		

DECLARATION OF WELLINGTON A. EWEN

I, WELLINGTON A. EWEN, do hereby declare as follows:

I am the President of Entrepreneur, Inc., a California corporation (hereinafter "my company"), the applicant in application Serial No. 537,579, more particularly identified above, to register the mark ENTREPRENEUR for the following goods:

Class 9: Electrical and Scientific Apparatus, Namely Magnetic Media Bearing Recorded Computer Programs; and

Class 16: Paper Goods And Printed Matter, Namely Magazines, Books And Published Reports.

My company is engaged in the business of publishing various magazines and reports, principally related to the subject matter of starting and operating small businesses, and of producing computer programs and related documentation for sale to the public, specifically including the subject matter of the goods recited in the above-identified application.

Prior to adopting its present name, my company's name was Chase Revel, Inc.; it has also conducted business under the name: "American Entrepreneur's Association".

Said mark has been registered on the Supplemental Register under Registration No. 1,187,239 on January 19, 1982. The application for said registration was converted from an application for registration on the Principal Register Serial No. 221,801, filed July 12, 1979. Applicant is the owner of said registration.

Applicant believes that the mark has become distinctive, as

applied to applicant's goods, by reason of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years next preceding May 14, 1985, the filing date of the subject application.

I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any registration issuing thereon.

Dated: January 8, 1988

Wellington A. Ewen

EXHIBIT 7

400-374-JM

TRADEMARK

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

MARK	:	ENTREPRENEUR
REGISTRATION NO.	:	1,453,968
CLASSES	:	INT'L. CLASSES 9 and 16
REGISTERED	:	August 25, 1987
REGISTRANT	:	Entrepreneur, Inc.

SECTION 8 & 15 DECLARATION

JAMES L. FITZPATRICK hereby declares that he is the Executive Vice-President of Entrepreneur, Inc., Registrant of the above-identified Registration, and is authorized to make this declaration on behalf of the Registrant.

That Entrepreneur, Inc., a California corporation, owns Registration No. 1,453,968, issued August 25, 1987, as shown by records in the Patent and Trademark Office; that the mark shown therein has been in continuous use in Interstate Commerce for five consecutive years from the date of registration to the present for the following services recited in the Registration:

FOR: COMPUTER PROGRAMS AND PROGRAMS USER MANUALS ALL SOLD AS A UNIT, IN CLASS 9 (U.S. CL. 38)

and

FOR: PAPER GOODS AND PRINTED MATTER: NAMELY MAGAZINES, BOOKS AND PUBLISHED REPORTS PERTAINING TO BUSINESS OPPORTUNITIES, IN CLASS 16 (U.S. CL. 38).

That said mark is still in use in said Interstate Commerce as evidenced by the attached specimens, one for each of the classes involved, showing the mark as currently used; that there has been no final decision adverse to Registrant's claim of ownership of said mark, to its right to register the same or

040 FT 10/05/92 143376B 0 374 408.00 UA

maintain it on the Register, and that there is no proceeding involving any of said rights pending and not disposed of either in the Patent and Trademark Office or in the Courts.

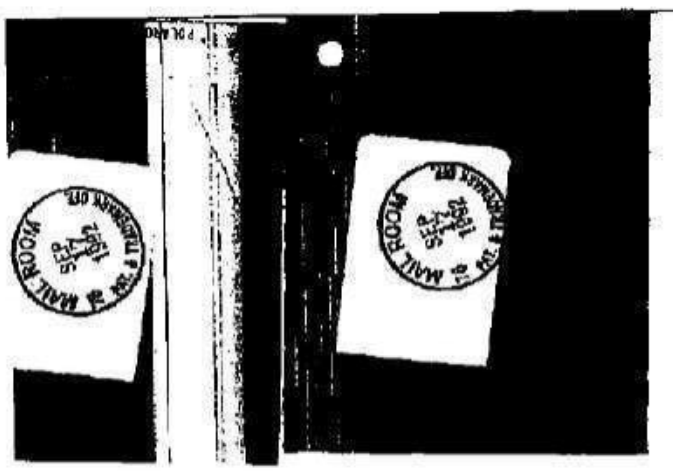
I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or document or any registration resulting therefrom.

Dated: September 11, 1992

JAMES L. FITZPATRICK

CLASS 16

CLASS 9



UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
ASSISTANT SECRETARY AND COMMISSIONER
OF PATENTS AND TRADEMARKS
Washington, D.C. 20231

REGISTRATION NO. 1455968 SERIAL NO. 73/537579 PAPER NO.
MAILING DATE: 12/28/92

MARK: ENTREPRENEUR

REGISTRANT: ENTREPRENEUR, INC.

CORRESPONDENCE ADDRESS
HENRY BISSELL
6820 LA TIJERA BOULEVARD
SUITE 206
LOS ANGELES, CA 90045-1991

Please furnish the following in all correspondence:

1. Your name and bar ID code.
2. Mailing date of this action.
3. Affidavit/Renewal Examiner's name.
4. The serial or reg. number preceded by the word "Ren #".
5. Registration No.

RECEIPT IS ACKNOWLEDGED OF THE SUBMITTED REQUEST UNDER:

SECTION 8 OF THE TRADEMARK STATUTE AND 37 CFR SECS. 2.161-2.166.

SECTION 15 OF THE TRADEMARK STATUTE AND 37 CFR SECS. 2.167-2.168.

YOUR REQUEST FULFILLS THE STATUTORY REQUIREMENTS AND HAS BEEN ACCEPTED.

WYE JEAN SMITH
AFFIDAVIT-RENEWAL EXAMINER
TRADEMARK EXAMINING OPERATION
(703) 308-9500 EXT 38

EXHIBIT 8

AFFIDAVIT OF DANIEL R. CASTRO

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Mr. Daniel R. Castro, who being by me first duly sworn upon his oath deposed and stated as follows:

My name is Daniel R. Castro. I am over the age of 21 and am of sound mind and am capable of making this affidavit. I have personal knowledge of the facts stated below, and every statement is true and correct.

The copy of the Order Granting Summary Judgment attached hereto is an exact duplicate of the original that can be found in the public record of the Federal District Court for the Central District of California. The file stamp of the Federal District Court is clearly visible on the document, showing its authenticity.

FURTHER AFFIANT SAYETH NOT.

Daniel R. Castro

SUBSCRIBED AND SWORN TO BEFORE ME the undersigned authority on this 15th day of December 2010.

Lisa C. Gant
Notary Public, State of Texas

LISA C. GANT
Notary Public, State of Texas
My Commission Expires
March 15, 2014

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

FILED
CLERK U.S. DISTRICT COURT
JUN 28 2000
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

Order Granting S.J.

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

ENTREPRENEUR MEDIA, INC.,	)	CV 98-3607 FMC (BQRx)
Plaintiff,	)	ORDER GRANTING IN PART AND DENYING IN PART PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT; DENYING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT
vs.	)	
SCOTT SMITH, dba ENTREPRENEURPR	)	
Defendants.	)	

CLERK U.S. DISTRICT COURT
JUN 28 2000
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

I. Introduction

Plaintiff filed a complaint for trademark infringement under 15 U.S.C. § 1125 of the Lanham Act and unfair competition under California Business and Professions Code § 17200, alleging that defendant's marks, including ENTREPRENEURPR and ENTREPRENEUR ILLUSTRATED are confusingly similar to plaintiff's marks. Plaintiff also alleges that defendant's unauthorized use of its mark, ENTREPRENEUR'S SMALL BUSINESS SQUARE, constitutes counterfeiting under 15 U.S.C. § 1114.

JUN 29 2000

Docketed
Copies / NTG Sent
JS - 5 / JS - 6
JS - 2 / JS - 3
CLSD

117.

Business Square, on his website. Fuller Dec. ¶ 3.

8. In 1997, defendant changed the name of his business from ICON publications to ENTREPRENEURPR and the name of his publication from Yearbook of Small Business Icons to ENTREPRENEUR ILLUSTRATED. Smith Dep. 124:20-125:6; Finkelstein Dec., Ex. F.

9. Defendant's website is found at ENTREPRENEURPR.COM. Finkelstein Dec., Ex. F.

10. Defendant's mark appears on the cover of his publication in yellow. Kravitz Dec., Ex. 3.

11. Defendant's goods and services include: preparing and publishing press releases that profile small businesses and providing information on the Internet. Smith Dec. ¶ 2

12. Four of defendant's clients or potential clients state that they believed that defendant was "affiliated" with plaintiff, "part of Entrepreneur magazine" or otherwise associated with plaintiff. Demarest Dec. ¶ 8; Ozmore-Tale Dec. ¶ 8; Chippi Dec. ¶ 5; Bieshaian Dep. 20:16-21:5.

13. Defendant's former employees state that potential clients asked them if defendant was affiliated with plaintiff. Kufarsimes Dep. 38:22-39:23; Gately Dep. 41:7-24.

IV. Trademark Infringement

"The core element of trademark infringement is the likelihood of confusion, i.e., whether the similarity of the marks is likely to confuse customers about the source of the products." *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1290 (9th Cir. 1992).

The Court's concern for confusion among "consumers" as opposed to the general public is grounded in the very purpose of trademark law.

> [T]rademark law, by preventing others from copying a source-identifying mark, "reduce[s] the customer's costs of shopping and making purchasing decisions," for it quickly and easily assures a potential customer that this item — the item with this mark — is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product.

Qualitex Co. v. Jacobson Products Co. Inc., 514 U.S. 159, 163-64, 115 S. Ct. 1300, 131 L. Ed. 2d 248 (1995) (citation omitted).

Plaintiff's consumers in this case are small business owners who read plaintiff's publications and utilize plaintiff's resources via the Internet and Entrepreneur Expo. Defendant's consumers are small business owners who purchase his public relations services and those who receive his publication. Accordingly, the likelihood of confusion inquiry in this case is limited to whether a reasonably prudent small business owner or other individual seeking either publications or services targeted to small businesses might confuse defendant's services with plaintiff's. *See Dreamwerks Prod. Group, Inc. v. SKG Studio*, 142 F.3d 1127, 1130 (9th Cir. 1998); *see also Murray v. Cable Nat'l. Broadcasting Co.*, 86 F.3d 858, 861 (9th Cir. 1996) ("A likelihood of confusion exists when a consumer viewing a service mark is likely to purchase the services under a mistaken belief that the services are, or [are] associated with, the services of another provider.").

The Court looks to the eight factors set forth in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979), to determine the likelihood of consumer confusion: (1) strength of

the mark; (2) proximity or relatedness of the goods; (3) similarity of the sight, sound and meaning of the marks; (4) evidence of actual confusion; (5) degree to which the marketing channels converge; (6) types of goods and degree of care consumers are likely to exercise when purchasing; (7) intent of defendants in selecting the infringing mark; and (8) likelihood that the parties will expand their product lines. *Id.* at 348-50; *see also Official Airline Guides, Inc. v. Goss*, 6 F.3d 1385, 1391 (9th Cir. 1993); *Gallo*, 967 F.2d at 1290.

This list of factors is neither exhaustive nor exclusive and is intended to guide the Court in assessing the basic question of likelihood of consumer confusion. *See Gallo*, 967 F.2d at 1290. Because these factors are not to be applied in a mechanical manner, the Court considers the *Steelcraft* factors in order of their importance to the pending case. *See Brookfield Communications Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1054 n.16 (9th Cir. 1999); *Dreamworks*, 142 F.3d at 1129.

Similarity of the Marks

Similarity of the marks is "a critical question in the likelihood of confusion analysis." *GoTo.Com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000). The greater the similarity between the two marks, the greater the likelihood of confusion. *See id.* at 1206. Similarity is determined by the appearance, sound and meaning of the marks when considered in their entirety and as they appear in the marketplace. *See GoTo.Com*, 202 F.3d at 1206; *Dreamworks*, 142 F.3d at 1131; *Steelcraft*, 599 F.2d at 351. The similarities of the marks are weighed more heavily than differences. *See GoTo.Com*, 202 F.3d at 1205; *Brookfield*, 174 F.3d at 1054.

Plaintiff has used the mark ENTREPRENEUR since 1978. Uncontroverted Fact ("UF") 1. It registered the mark for publications and computer services in 1987. UF 2. Plaintiff's mark appears in red letters on the cover of its publication ENTREPRENEUR. UF 3. Plaintiff also uses and has registered several other variations of the word to identify other publications or services including: ENTREPRENEUR EXPO, ENTREPRENEUR INTERNATIONAL, ENTREPRENEURIAL WOMAN, ENTREPRENEURMAG.COM, ENTREPRENEUR'S HOME OFFICE, ENTREPRENEUR'S INSIDER NEWSLETTER, ENTREPRENEUR MAGAZINE'S GUIDE TO FRANCHISE AND BUSINESS OPPORTUNITIES, ENTREPRENEUR MAGAZINE'S ONLINE. UF 5.

In 1997, defendant changed the name of his business from ICON publications to ENTREPRENEURPR and the name of his publication from Yearbook of Small Business Icons to ENTREPRENEUR ILLUSTRATED. UF 8. Defendant also uses ENTREPRENEURPR.COM as his website's address. UF 9. On the cover of its publication, defendant's mark, ENTREPRENEUR ILLUSTRATED, appears in yellow. UF 10.

The sound of the marks is overwhelmingly similar, although ENTREPRENEURPR contains additional letters that would be pronounced "P" "R." ENTREPRENEUR ILLUSTRATED also sounds similar to plaintiff's mark.

The marks looks similar. Although PR is found at the end of defendant's mark, it does not change the fact that plaintiff's entire mark is contained within it. The fact that defendant's publication title, ENTREPRENEUR ILLUSTRATED, contains an additional

word does not diminish the fact that entrepreneur is contained in the title making the appearance of the marks similar. Moreover, the word entrepreneur is clearly the dominant of the two words on the cover of the publication. Defendant places a great deal of emphasis on the fact that plaintiff's mark appears in red on its publications and defendant's is in yellow. However, the color difference does not diminish the fact that the word ENTREPRENEUR is the most prominent visual feature of both publications' covers.

Finally, although defendant's mark contains the additional meaning of PR or public relations, the meaning of ENTREPRENEUR — small, independent business owners — is suggested by both.

Because plaintiff's entire registered mark ENTREPRENEUR makes up the primary portion of each defendant's marks, the marks are similar based on sight sound and meaning. Because the Court weighs similarities of the marks more heavily than differences, *Brookfield*, 174 F.3d at 1054, this factor weighs in favor of finding a likelihood of confusion.

Relatedness of the Goods

"Related goods are more likely than non-related goods to confuse the public as to the producers of goods." *Official Airline Guides, Inc.*, 6 F.3d at 1392. "[P]roducts which would be reasonably thought by the buying public to come from the same source if sold under the same mark" are considered related. *Steinkraft*, 599 F.2d at 348 n.10. Moreover, when goods are complementary, sold to the same class of purchasers, or similar in use and function, less similarity between the marks is needed when analyzing this factor. *See Steinkraft*, 599 F.2d at 350.

Plaintiff's goods and services include: "software, business guides, video and audio tapes, . . . web sites and online services, . . . crea[ting] and participat[ing] in trade shows, seminars, educational programs, and business services, all in connection with small businesses." UF 6.

Defendant's goods and services include: preparing and publishing press releases that profile small businesses and providing information on the Internet. UF 11.

In sum, both parties print publications that feature small businesses. They each provide information about their own services and publications on the Internet. These goods and services are sufficiently similar to support a finding that the goods and services are related. *See, e.g.*, *Brookfield*, 174 F.3d at 1057 (where both companies offered products related to "the entertainment industry generally," the products were related). This factor weighs in favor finding a likelihood of confusion.

Actual Confusion

Evidence of actual confusion is "persuasive proof that future confusion is likely." *Kendall-Jackson Winery, Ltd. v. E.&J. Gallo Winery*, 150 F. 3d 1042, 1048 (9th Cir. 1998) (citation omitted). Plaintiff offers the following evidence to support a finding of actual confusion: declarations from four of defendant's clients or potential clients stating that they believed that defendant was "affiliated" with plaintiff or was "part of Entrepreneur magazine" or otherwise associated with plaintiff. UF 12. Plaintiff also points to the statements of defendant's former employees that potential clients asked them if defendant was affiliated with plaintiff. UF 13.

Defendant argues that his clients' statements are open to impeachment because (1) they were not subject to cross examination, (2) they contain hearsay and (3) each client had payment disputes with defendant that call into question his or her credibility. Defendant points to no evidence to support its allegations that the witnesses are not credible and provides no basis to exclude the evidence. Moreover, sworn declarations are clearly appropriate evidence on a motion for summary judgment. *See* Fed. R. Civ. Proc. 56(e). Defendant also contends that the statements of his employees should be disregarded because they contain hearsay. Plaintiff argues that the statements are not hearsay because they are not offered for their truth (that the entities are associated), but only to demonstrate the state of mind of the caller (confusion as to whether the parties were associated). The Court concludes that these statements are not hearsay.

Although not overwhelming, evidence that four customers stated that they believed defendant's services were affiliated with plaintiff and questions from potential clients about whether defendant was affiliated with plaintiff is sufficient for the Court to find actual confusion exists. This factor weighs in favor of finding a likelihood of confusion.

Intent in Adopting Mark

"When an alleged infringer knowingly adopts a mark similar to another's, courts will presume an intent to deceive the public." *See Official Airline Guides*, 6 F.3d at 1394; *see also Sleekcraft*, 599 F.2d at 354. Evidence before the Court demonstrates that defendant was well aware of plaintiff's mark when it decided to change its name and adopt new marks. Defendant's business had been featured in plaintiff's publication; a fact defendant publicized

to his clients. The marks are clearly similar, supporting the Court's presumption that defendant intended to confuse the public by adopting the mark.

Defendant's argument that he believed that he could properly use the mark because he did not compete with plaintiff is unavailing. The inquiry is whether he knew the marks were similar. Moreover, likelihood of confusion does not require competition between the parties' goods and services. As noted above, goods that are merely complementary will support a finding of a likelihood of confusion. *See Sleekcraft*, 599 F.2d at 350.

Plaintiff also points to defendant's statement to an employee that "it's great" that potential customers think defendant and plaintiff are affiliated. *See* Gurley Dep. 42:24-43:2. This statement was made after the marks were adopted. Only defendant's intent at the time he adopted the mark is relevant to this factor. However inculpatory, defendant's statement to Gurley is irrelevant to this factor.

The Court finds that defendant knowingly adopted a mark that was similar to plaintiff's mark. This factor weighs in favor of finding a likelihood of confusion.

Strength of the Mark

Because plaintiff has registered its mark, ENTREPRENEUR, and used it in commerce for over five years, plaintiff's mark is incontestable. *See* 15 U.S.C. § 1065 ("the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable").

Defendant contends that plaintiff's mark is generic or descriptive and entitled to no protection. However, because plaintiff's mark is incontestable, defendant may not challenge it as "merely descriptive." *See Park 'N Fly, Inc., v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 196, 105 S. Ct. 658, 83 L. Ed. 2d 582 (1985).

Defendant also argues that plaintiff's mark is weak because the word "entrepreneur" is a common word in the English language that cannot be removed from general use by plaintiff's registration. He points to the Second Circuit's decision in *Gruner + Jahr USA Publishing, v. Meredith Corp.*, 991 F.2d 1072 (2nd Cir. 1993), in support of this contention. The *Gruner* court affirmed a trial court's determination that the "parents" portion of the plaintiff's mark was extremely weak because it was a common word in the language. *See id.* at 1078. The court analyzed the strength of the word without reference to what product or service it was used to identify. *See id.* Because the Ninth Circuit does not follow the same approach as the Second Circuit in determining the strength of the mark, *Gruner* is neither controlling nor persuasive authority on this Court.

For purposes of determining the likelihood of confusion in this Circuit, the strength of the mark is determined by its relationship to the products or services the mark identifies. *See Brookfield*, 174 F.3d 1036, ("Brookfield's trademark is not descriptive because it does not describe either the software product or its purpose."). Accordingly, the fact that plaintiff's mark is a common noun does not affect its strength. Plaintiff's registered mark is incontestable and is entitled to protection as a strong mark. This factor weighs in favor of finding a likelihood of confusion.

Marketing Channels

Plaintiff contends that parties' marketing channels overlap because both send their publications to media entities, target small business owners and use the Internet to market their services and provide information. Defendant contends that the only overlap between the parties' marketing channels is the use of the Internet because defendant does not sell his publication on newsstands or to subscribers.

There is no evidence as to how defendant markets his services to new clients or how plaintiff markets its products and services to new customers. The evidence before the Court demonstrates that both parties use the Internet as a marketing channel to promote their goods and services. This evidence, albeit minimal, demonstrates that the parties' marketing channels overlap, supporting a finding of a likelihood of confusion.

Degree of Consumer Care

"Likelihood of confusion is determined on the basis of a 'reasonably prudent consumer.' . . . What is expected of this reasonably prudent consumer depends on the circumstances." *Brookfield*, 174 F.3d at 1060 (citations omitted). Generally, when purchasing expensive items, the buyer is expected to be more discerning and less easily confused. *See id.*, *see also Collo*, 967 F.2d at 1293.

As noted above, plaintiff's consumers in this case are small business owners and others who read its publications, use the Internet, and purchase or participate in the educational resources provided by plaintiff. Defendant's consumers are small business owners who purchase his public relations services, potential clients, Internet users and the

media entities who receive his publication. Plaintiff argues that because defendant's publication is provided to media entities at no charge, consumers will exercise little care. Defendant argues that consumers are sophisticated media entities, business owners and advertisers who will exercise a great deal of care. The price of defendant's publication is not the only consideration relevant to this factor. The Court finds that small business owners seeking public relations services, advertisers and media entities will exercise a moderate degree of care. This factor weighs against finding a likelihood of confusion.

Likelihood of Expansion

Plaintiff contends that this factor weighs in favor of finding a likelihood of confusion because the parties' goods and services currently overlap. Defendant argues that because plaintiff does not plan to provide public relations services, there is no likelihood of expansion. Although there is no evidence that parties intend to expand their services to create additional overlap, it is clear that some overlap exists already. Accordingly, this factor weighs neither in favor nor against finding a likelihood of confusion.

Balancing

The Court finds that all but one factor weigh in favor of finding a likelihood of confusion in this case. Only the degree of consumer care weighs against finding a likelihood of confusion. Based on the above analysis, the Court concludes that defendant's mark is confusingly similar to plaintiff's mark. Plaintiff is entitled to summary adjudication of its claim for trademark infringement.

/ / /

V. Unfair Competition under California Code § 17200

Plaintiff correctly contends that the same facts supporting the Court's conclusion that defendant has violated the Lanham Act are sufficient to demonstrate a violation of California Business & Professions Code § 17200. *See Summit Technology, Inc. v. High-Line Medical Instruments Co.*, 933 F. Supp 918 (C.D. Cal. 1996) (holding that facts supporting a party's claim for violation of § 1125(a) also support claims for unfair competition). Because the ultimate test under both is "whether the public is likely to be deceived or confused," the Court's conclusion that defendant's mark is confusingly similar to plaintiff's mark controls the resolution of the unfair competition claim. *See Cleary v. News Corporation*, 30 F. 3d 1255, 1262-63 (9th Cir. 1994) ("actions pursuant to California Business and Professions Code § 17200 are 'substantially congruent' to claims made under the Lanham Act"). Plaintiff is entitled to summary adjudication of its claim for unfair competition under California law.

VI. Counterfeiting

Plaintiff alleges that defendant's unauthorized use of its SMALL BUSINESS SQUARE mark on defendant's website constitutes counterfeiting. In July 1997, plaintiff selected defendant's business to be featured on its SMALL BUSINESS SQUARE website and permitted defendant to place the SMALL BUSINESS SQUARE mark on his website. UF. 7. However, in January 1998, plaintiff notified defendant that he no longer had permission to use the mark on his website. Sometime during the pendency of this litigation, defendant removed the mark from his site.

Counterfeiting is a form of trademark infringement and requires plaintiff to demonstrate that: (1) defendant is using a counterfeit, copy or imitation of plaintiff's mark; (2) without plaintiff's consent; (3) in commerce; (4) in connection with the sale, offering for sale, distribution or advertising of any goods; (5) where such use is likely to cause confusion, or to cause mistake or to deceive. *See* 15 U.S.C. § 1114(1)(a). The test for infringement of § 1114 is the same as that for § 1125(a): likelihood of confusion. *See Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 873 (9th Cir. 1999).

Defendant contends that at the time he "was granted permission to use the logo, he was not made aware that Plaintiff had any policy regarding the use of this logo." Opp. at 23.[1] This statement may be true, but the evidence before the Court demonstrates that defendant was clearly informed that use after January 1998 was unauthorized. *See* Finkelstein Dec. Ex. I. There is sufficient evidence to demonstrate that defendant used plaintiff's mark without authorization.

However, plaintiff has not demonstrated that a likelihood of confusion exists. Plaintiff's cursory statement that by the time defendant removed the mark from his website "the damages has been done, as Sutth had created the mistaken belief among consumers that his web site and services were associated with, or endorsed by, Entrepreneur" is insufficient to prevail on summary adjudication. *See* Points and Authorities at 21. Without citation to

[1] Defendant's single sentence statement that "under the holding of *Weller*, such use is clearly fair use" is insufficient to assert and demonstrate this affirmative defense. Opp at 23.

evidence or authority by plaintiff, the Court cannot conclude that the placement of plaintiff's mark on defendant's website constitutes counterfeiting in violation of § 1114.

Because plaintiff has not met its "initial burden of demonstrating the absence of a genuine issue of material fact" it is not entitled to summary adjudication of its claim for counterfeiting. *See Anderson*, 477 U.S. at 256.

VII. Damages and Attorney Fees

Plaintiff's requests for an award of damages and attorney fees are denied. A determination of the amount of either damages or attorney fees is premature until each of plaintiff's claims for relief has been resolved by the Court.

VIII. Conclusion

Plaintiff's motion for summary judgment, filed May 19, 2000, is granted in part and denied in part. Plaintiff is entitled to summary adjudication of its claims for trademark infringement and unfair competition. Plaintiff's motion is denied in all other respects. Defendant's motion for summary judgment, filed June 2, 2000, is denied.

IT IS SO ORDERED.

June 28, 2000

Florence-Marie Cooper

FLORENCE-MARIE COOPER, JUDGE
UNITED STATES DISTRICT COURT

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

Daniel R. Castro	§	
Plaintiff	§	
	§	
	§	
v.	§	
	§	**CIVIL ACTION NO:**
	§	**A:10-CA-695-LY**
	§	
ENTREPRENEUR MEDIA, INC.	§	
Defendant	§	

ORDER DENYING EMI's MOTION FOR PARTIAL DISMISSAL
UNDER RULE 12(b)(6)

Before the Court is EMI's Motion For Partial Dismissal Under Rule 12(b)(6). The Court having considered the motion, and all responsive pleadings, is of the opinion that the Motion should be DENIED.

ACCORDINGLY, IT IS ORDERED that the Motion For Partial Dismissal Under Rule 12(b)(6) is hereby DENIED.

Signed and executed this ____ day of December 2010.

_____
The Honorable Lee Yeakel